City of Hurst, Texas

Annual Comprehensive Financial Report

Year Ended September 30, 2024

Prepared by: City of Hurst, Texas Finance Department

CITY OF HURST
TEXAS

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CITY OF HURST
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Introductory Section

CITY OF HURST
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March 7, 2025

Honorable Mayor, City Council Members,
and Citizens of the City of Hurst, Texas
City of Hurst
Hurst, Texas

The Annual Comprehensive Financial Report (ACFR) of the City of Hurst, Texas (City) for the fiscal year ended September 30, 2024 is attached. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included in the report.

This document is organized as prescribed by Governmental Accounting Standards Board pronouncement #34 (GASB 34). Accounting standards require the inclusion of a narrative introduction and an overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A, which is located immediately following the independent auditor's report.

The ACFR is presented in three parts comprised of the Introductory, Financial, and Statistical sections. The Introductory section includes the transmittal letter, the City's organizational chart, and a list of principal officials. The Financial section includes the independent auditor's report, MD&A, basic financial statements, required supplementary information, and combining statements and individual fund schedules. The Statistical section includes selected financial and demographic information, generally presented on a multi-year basis. In the future, the City will continue to implement and incorporate new GASB pronouncements in the financial statements and notes according to their effective dates.

REPORTING ENTITY AND ITS SERVICES

The City of Hurst is located in north central Texas, in northeast Tarrant County, approximately nine miles from downtown Fort Worth and eighteen miles from downtown Dallas on SH-121, Airport Freeway (also known as the North Tarrant Express). Hurst's centralized location provides quick access to both Dallas and Fort Worth metropolitan areas and is fifteen minutes away from one of the World's busiest airports, D/FW International. The City has a total land area of 10 square miles and is 98% developed.

Voters adopted the City of Hurst Home Rule Charter on December 29, 1956. The City operates under a Council-Manager form of government with the City Council consisting of a Mayor and six Council members elected at-large. Henry Wilson, a long-tenured Council Member, was elected Mayor in 2018. All six at-large Council members are newly elected since 2018 and they have provided a fresh perspective to the Council's deliberations. The Council is very supportive of staff, and they are open to receiving input from the public through surveys, town hall meetings and public hearings. The City's management team, in turn, executes the Council's policy directives to achieve their strategic vision. In 2013, Hurst's Council was named the Council of the Year by the Texas City Management Association. The values and professionalism that helped Council earn the award in 2013 are consistently practiced by the current-day City Council.

The City provides a full range of services, including public safety (police, fire, emergency medical services, and animal services), public works (engineering, streets/drainage, and water/sewer), planning and community development (planning, building inspections, code enforcement, and neighborhood services), community services (parks, recreation, library, aquatics, and senior center), conference center, and other general administrative services. The Hurst-Euless-Bedford, Birdville, and Grapevine-Colleyville Independent School Districts provide elementary and secondary education services within the City. The Tarrant County College Northeast Campus is also located within city limits.

ECONOMIC CONDITION AND OUTLOOK

Coming out of the pandemic and the related economic uncertainty that persists today, including inflationary pressures and staffing challenges, the City remains committed to the Council's strategic planning process and its conservative budgeting practices. The steadfast leadership of the Council and executive team helped guide the City through these recent and ongoing challenges while maintaining our strong overall financial position.

Public safety remains a top priority for our community, with over half of General Fund expenditures dedicated to Police and Fire operations. This focus on Police and Fire operations is reflected in the annual citizen survey, which consistently ranks public safety as their top priority. The City also remains committed to our redevelopment plan that focuses on key catalytic areas with underutilized commercial space that can be repurposed or reimagined. Recent activity includes a strategic partnership with the North Central Texas Council of Governments (NCTCOG) to conduct a broad-based economic development study along Highway 10 to improve connectivity to key locations and revitalize/repurpose underutilized industrial areas. The City is also exploring other unique partnership opportunities, including with Andrea Holmes to paint a mural on the west facing wall of Café Medi as part of her "Wings Across the World" project and with Hurst-Euless-Bedford Independent School District (HEB ISD) and 6 Stones to renovate a former donut shop into a non-chain coffee shop. HEB ISD students in the Architectural and Interior Design Program will assist in creating the vision for this renovation and students in the Moving into Adult Roles and Communities Program will help staff the coffee shop once it's up and running. The City welcomed 71 new businesses to town in 2023-2024, including Rag and Bone Records which sells music, audio equipment and apparel, and Swig which is known for its "dirty sodas" that combine your favorite soda with a customized mix of flavors, fresh

fruits, purees and creams. Although the North East Mall faces competition from new shopping options in surrounding cities, the City is working with its owners, Simon Property Group, to ensure that it remains an integral part of our community going forward. Citywide, commercial space was 92.4% occupied.

Property taxes remain a primary revenue source for General Fund operations, representing approximately 49% of total General Fund revenues for Fiscal Year 2023-2024. Certified net taxable values increased by 11% in Tax Year 2023, reflecting a stable housing market and continued growth in the region. As a result, we budgeted a 7.4% increase in property tax revenues in fiscal year 2023-2024. However, because we refinanced outstanding debt and took advantage of the low interest rate environment in recent years, we were able to decrease the debt component of our property tax rate by a penny and a half in Fiscal Year 2023-2024.

Sales taxes are also a key revenue source for General Fund operations, representing approximately 31% of total General Fund revenues for Fiscal Year 2023-2024. The North East Mall and other quality shopping centers throughout the City have established Hurst as a major retail destination in Tarrant County, and the City is committed to pursuing economic development opportunities to sustain and enhance our sales tax base. In addition to the 1% General Fund sales tax, the City also assesses a half percent (half-cent) sales tax for crime control and prevention purposes, and a half percent (half-cent) sales tax for Community Services projects. Total sales taxes decreased by 1.8% in Fiscal Year 2023-2024 and are flat in the first five months of Fiscal Year 2024-2025. It appears sales taxes are leveling off after the increased revenues received coming out of the pandemic. And because of the volatile nature of sales taxes, our budget is set at an amount equal to prior year returns minus a budgeted contingency, usually between $500,000 to $1,000,000. In Fiscal Year 2023-2024, sales tax revenues for the General Fund were approximately $1.9 million over budget. The benefits of this conservative approach are reflected in the strength of the included financial statements and the City's recent bond rating increase from Standard & Poor's. Amount other things, the City's conservative approach, Council's leadership, and sound financial practices all contributed to the ratings moving from AA to AA+.

City staff evaluates our fee structure when developing the annual budget and on an ongoing basis. Community Services revenues, which include fees charged at the City's Recreation Center, two Aquatics Centers, Senior Center and Athletic Fields were up by $36,000, or 3.3%, in Fiscal Year 2023-2024. Community Services was significantly impacted by the pandemic and more recently by inflationary pressures and staffing challenges. Municipal Court fines were up by $53,000, or 11.6% in Fiscal Year 2023-2024. Court fines appear to have leveled-off after trending down over the past several years for various reasons including alternative, non-monetary, ways to satisfy fines owed. Franchise fees were down by $49,000, or 1.8% in Fiscal Year 2023-2024. Increases in solid waste franchise fees were offset by decreases in electric, gas, telephone and cable franchise fees. Telephone and cable franchise fees have been impacted in recent years by shifting consumer preferences to video streaming services and by a change to state law that allows providers to pay only the higher of the fees due for either their telecommunications or cable/video services.

The General Fund budget for Fiscal Year 2024-2025 increased by 4.6% over the previous year's adopted budget and focuses on maintaining service levels while addressing inflationary pressures, particularly in the labor market. To adjust for recent trends, Community Services revenues and franchise fee revenues were decreased, while property taxes, sales taxes, inspection fees, intergovernmental revenues, ambulance billing fees, interest earnings and court fines were increased to balance the General Fund budget for Fiscal Year 2024-2025.

The City has developed a proactive, multi-level Fiscal Management Plan that has been utilized during times of financial instability, such as the Great Recession and the Covid-19 Pandemic. The City Manager and Fiscal Services' staff monitor revenues/expenditures daily and take appropriate actions as economic conditions change. This conservative and proactive approach provides financial stability and allows the City to maintain quality services and programs.

MAJOR INITIATIVES

FISCAL YEAR 2023-2024 - During the past fiscal year, the City of Hurst undertook several major initiatives. Departmental missions and programs are highlighted as follows:

The Legislative and Judicial Services Department includes the Legislative, Public Information and Judicial Divisions. In 2023-2024, the Legislative Division worked to effectively represent the residents of Hurst and improve the quality of life throughout the City. The Public Information Division administers elections, prepares agendas for and minutes of City Council meetings, and oversees public records. In 2023-2024, the Public Information Division updated the code of ordinances as needed and coordinated the Board, Commission and Committee appointment process. The Judicial Division provides just and impartial disposition of all cases filed in the Hurst Municipal Court. In 2023-2024, the Judicial Division implemented programs to assist in collecting past due fines and fees.

The Administration Department effectively executes City Council policies, programs and directives, conducts City operations in an efficient and effective manner and responds promptly to citizen inquiries and requests. In 2023-2024, Administration developed an award-winning strategic communication plan, partnered with a local videography company to bolster our social media presence and started the process of modernizing/upgrading our website.

The Economic Development Division seeks to expand the local economy by retaining existing businesses and attracting new businesses to Hurst. In 2023-2024, Economic Development began the Hurst Business Spotlight series to highlight small businesses and non-profits in Hurst, created a new sign and façade improvement program and engaged the North East Mall to partner on tenant selection when possible.

The Hurst Conference Center (https://hurstcc.com/) is a state-of-the-art facility with over 50,000 square feet of event space and an adjoining 140-room hotel. The Conference Center can accommodate intimate events or multi-day programs for up to 900 guests and offers exceptional on-site catering. Although the Conference Center decided to stop booking events on Sundays to promote a healthy work/life balance for staff, revenues hit a record high of $3.7 million in 2023-2024. Other initiatives implemented in 2023-2024 included replacing all dishes, glassware and silverware and sending customer surveys after events.

The Public Works Department provides quality services to citizens through water, wastewater, drainage and traffic systems, while maintaining a safe and efficient working environment. In 2023-2024, Public Works completed construction of West Pipeline Road Phase 3 improvements and coordinated with Tarrant County to begin acquiring right-of-way easements for West Pipeline Road Phase 4 improvements. To further maintain the City's streets, Public Works overlaid, crack sealed or seal coated 26 lane miles of road surface and swept all City streets 3 times. Public Works also developed in-house commercial driver's license (CDL) training to control costs, implemented new fats, oils and grease (FOG) software to streamline reporting and conducted 4 household waste events to safely dispose over 40,000 pounds of hazardous materials.

The Fiscal Services Department provides fiscally responsible control and guidance over all financial matters of the City. In 2023-2024, Fiscal Services facilitated the issuance of debt to support critical streets, drainage and water infrastructure improvements and coordinated with S&P Global Ratings to increase our credit rating from AA to AA+. Fiscal Services also received its 50th Certificate of Achievement for Excellence in Financial Reporting Award and its 36th consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association.

The Utility Billing Division manages billing/collections for water, wastewater, sanitation and recycling services offered by the City. Staff reads over 12,000 meters each month. In 2023-2024, staff from multiple Departments began the initial phase of our Advanced Metering Infrastructure (AMI) project that, when fully implemented, will provide timely and accurate usage data to customers and enhance the customer service tools available to staff.

The Information Technology Division maintains the City's technology infrastructure, and in 2023-2024 they began implementing the new Computer-Aided Dispatch (CAD) and Records Management System (RMS) and coordinated various other equipment/software upgrades across the City as needed.

The Planning and Community Development Division coordinates the review of zoning, site plan and plat proposals, and is responsible for Code Enforcement activities. In 2023-2024, the Division updated the City's Ordinances for Licenses and Business Regulations and Zoning, including requiring a specific use permit for CBD/hemp/cannabis stores. The Division also coordinated the City's Property Pride, Community Powered Revitalization, and Tarrant County HOME rehabilitation programs to develop positive community connections and promote outstanding property maintenance.

The Equipment Services Division supports all City Departments by maintaining, repairing and replacing City equipment. Equipment Services is responsible for 276 pieces of equipment. Supply chain constraints began to ease in 2023-2024 allowing the City to purchase new vehicles for Police and equipment for other departments.

The Human Resources Department partners with management and staff to serve all employees with excellence in such areas as employee relations, strategic planning, policy administration, and pay and benefits administration. In 2023-2024, Human Resources partnered with Community Services to streamline the hiring of seasonal aquatics staff, standardized internal processes for hiring and onboarding new employees, and partnered with a Retiree Benefits Management provider to reduce the City's administrative costs and increase Medicare-eligible retiree satisfaction through dedicated advocacy services.

The Police Department is dedicated to providing exceptional service to its citizens and employees through a problem-solving approach emphasizing a commitment to "Excellence through Teamwork." The Department's budget is supplemented by a .5% (half-cent) anti-crime sales tax that generated approximately $6.1 million in 2023-2024. The Department continued to provide responsive police services in 2023-2024, maintained its accreditation through the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA), and participated in regional law enforcement efforts to curtail vehicle related crimes and illegal narcotics. In 2023-2024, the Department also partnered with the City of Euless to outsource its jail operations, and upgraded its body worn and in-car camera system.

The Fire Department is committed to excellence through ongoing training and provides aggressive fire prevention, professional fire protection, rescue, emergency medical service, hazardous material response and emergency management. In 2023-2024, Fire placed a new ambulance and other life-saving equipment in service. The Fire Department also continued its annual ambulance subscription service for Hurst families that covers EMS costs not covered by insurance, and it continued to participate in the Northeast Fire Department Association, which was created to combine/share the resources of local participating fire departments.

The Community Services Department offers recreational and educational opportunities to residents and non-residents alike at the City's 17 parks, 2 aquatics centers, a senior center, recreation center and library. The Community Services Budget is supplemented by a .5% (half-cent) sales tax that generated approximately $6.1 million in 2023-2024. In 2023-2024, the Senior Activities Center partnered with the Cities of Euless and Bedford to hold the first joint HEB Senior Games event, which received the Excellence in Senior Programming Award at the Texas Recreation and Park Society (TRAPS) North Region Conference. Recreation expanded its fitness program including personal and group training, the Library displayed unique and exciting exhibits from Tarrant County artists and private collectors, and Aquatics offered special events including Dive-In Movies.

FISCAL YEAR 2024-2025 – The following section highlights a few of the initiatives planned for next fiscal year:

- Economic Development will continue to develop its website and social media presence to attract new businesses and celebrate existing businesses in Hurst, and explore further redevelopment opportunities on Highway 10 including grant funding

- The Hurst Conference Center will focus on client retention by reviewing customer surveys and will continue to re-invest in the facility by constructing new office space for staff and replacing furniture in public spaces.

- Public Works will continue to maintain the City's infrastructure by managing projects for Pipeline Road widening, Brown Trail paving improvements, Precinct Line Road water main adjustments, and Hickory Court, Hurstview Drive and Lookout Trail drainage improvements. Public Works will also complete the service line inventory required by the Lead and Copper Rule Revisions (LCRR).

- Utility Billing will continue to manage the AMI deployment including installation of meters, data transmission and collection units, and the development of a customer portal for information in water usage and bill information.

- Finance will monitor the City's fiscal condition, including the impacts of inflation, interest rates and any lingering supply chain pressures. Finance will also facilitate the issuance of new debt, the implementation of new accounting standards and the provision of training for end-users involved in purchasing goods and services.

- Information Technology will continue monitoring cyber-security threats and the adequacy of the City's defenses against them, including annual cyber security training and two-factor authentication. Information Technology will also coordinate the installation of new/updated software and equipment, including replacing network switches and uninterruptible power supply (UPS) devices.

- Planning and Community Development will proactively promote property pride and code compliance to maintain neighborhood integrity.

- Human Resources will assess organization-wide training needs, update the Employee Policy Manual, and continue to identify process improvements including implementing workflows to track service requests and avoid duplication of efforts.

- Police will continue to provide excellent and responsive services and coordinate with Information Technology on the implementation of the new CAD/RMS and Public Safety Radio systems.

- Fire will continue to provide professional development opportunities for staff, monitor technology and equipment needs, and update its current emergency management plan through Tarrant County.

- Community Services will focus on several initiatives including integrating water safety tips into public swim time, expanding educational offerings for seniors, and hosting concerts and other community events at the Library.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control system should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

RISK MANAGEMENT

The City remains committed to leadership and cultural management programs that promote ethical and professional behavior. The City's executive management team and City Council are fully committed to The Hurst Way and The Code of Ideals.

The City maintains budgetary controls, including an encumbrance accounting system, to ensure that actual expenditures do not exceed budgeted (appropriated) amounts. These budgetary controls are established at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council, after public hearings.

To assist with ongoing oversight, key members of the City Manager's Office and Fiscal Services meet monthly to review the City's financial statements. The City has also engaged an outside consultant who employs various techniques, including data analysis, to identify potential control weaknesses.

To ensure that the financial statements are fairly presented in accordance with generally accepted accounting principles, the City Council engaged Forvis Mazars, LLP to conduct an independent audit of our financial statements for the fiscal year ending 9/30/2024.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hurst for its annual comprehensive financial report (ACFR) for fiscal year ended September 30, 2023. This was the 50th year that the government has achieved this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of the ACFR on a timely basis could not be accomplished without the dedicated efforts of the Fiscal Services Department staff. Appreciation is expressed to all members of the department who contributed to its preparation. I would like to especially thank Paul Brown, Managing Director of Finance, for overseeing the year-end audit process. The Mayor and members of the City Council are thanked for their strong leadership and support and for providing the resources necessary to conduct the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,

Clay Caruthers
CITY MANAGER

CITY OF HURST
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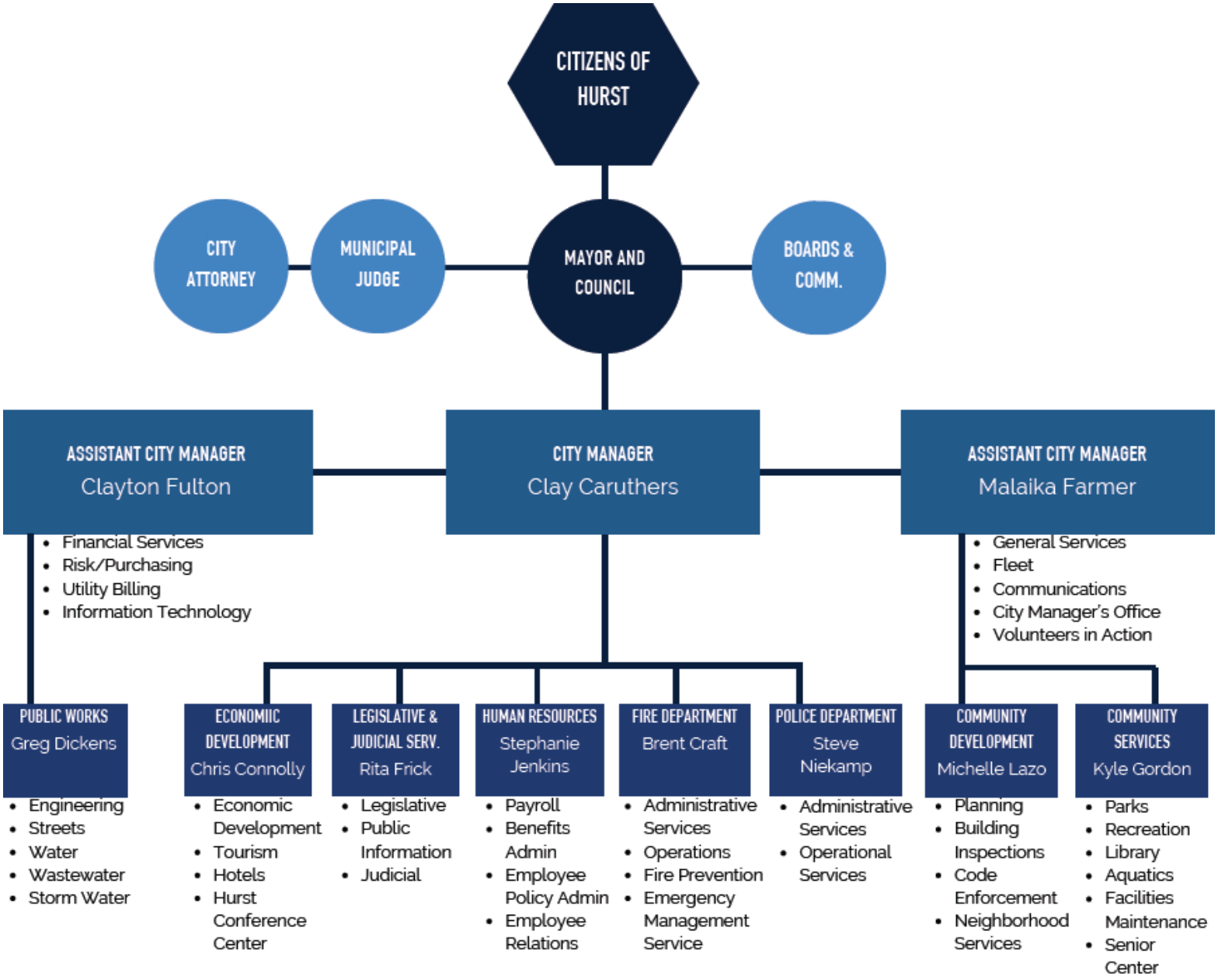
CITIZENS OF HURST
CITY ATTORNEY
MUNICIPAL JUDGE
MAYOR AND COUNCIL
BOARDS & COMM.
ASSISTANT CITY MANAGER
Clayton Fulton
CITY MANAGER
Clay Caruthers
ASSISTANT CITY MANAGER
Malaika Farmer
Financial Services
Risk/Purchasing
Utility Billing
Information Technology
General Services
Fleet
Communications
City Manager's Office
Volunteers in Action
PUBLIC WORKS
Greg Dickens
ECONOMIIC DEVELOPMENT
Chris Connolly
LEGISLATIVE & JUDICIAL SERV.
Rita Frick
HUMAN RESOURCES
Stephanie Jenkins
FIRE DEPARTMENT
Brent Craft
POLICE DEPARTMENT
Steve Niekamp
COMMUNITY DEVELOPMENT
Michelle Lazo
COMMUNITY SERVICES
Kyle Gordon
Engineering
Streets
Water
Wastewater
Storm Water
Economic Development
Tourism
Hotels
Hurst Conference Center
Legislative
Public Information
Judicial
Payroll
Benefits Admin
Employee Policy Admin
Employee Relations
Administrative Services
Operations
Fire Prevention
Emergency Management Service
Administrative Services
Operational Services
Planning
Building Inspections
Code Enforcement
Neighborhood Services
Parks
Recreation
Library
Aquatics
Facilities Maintenance
Senior Center

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CITY OF HURST, TEXAS
LIST OF PRINCIPAL OFFICIALS
September 30, 2024

CITY COUNCIL

Henry Wilson	Mayor
John Miller	Mayor Pro Tem
Jimmy Meeks	Councilmember
Gary N. Waldron	Councilmember
Cathy Butler Brotherton	Councilmember
Jon McKenzie	Councilmember
Cindy Shepard*	Councilmember

*This seat was vacated in November 2024 and is now held by Trasa Cobern

MANAGEMENT TEAM

Clay Caruthers	City Manager
Clayton Fulton	Assistant City Manager
Malaika Farmer	Assistant City Manager
Brent Craft	Fire Chief
Steve Niekamp	Police Chief
Rita Frick	City Secretary
Gregory Dickens	Executive Director Public Works
Chris Connolly	Executive Director Economic Development
Stephanie Jenkins	Executive Director of Human Resources
Michelle Lazo	Executive Director Planning & Community Development
Kyle Gordon	Executive Director of Community Services
Paul Brown	Managing Director Finance

Matthew Boyle	City Attorney
Forvis Mazars, LLP	Auditors

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hurst
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO

CITY OF HURST
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Financial Section

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Independent Auditor's Report

To the Honorable Mayor,
City Council and City Manager
City of Hurst, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hurst, Texas (City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, general fund and major special revenue funds budgetary comparison information, pension, and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections as listed in the table contents but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Prior-Year Comparative Information

The 2024 financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended September 30, 2023, from which such summarized information was derived.

Forvis Mazars, LLP

Dallas, Texas
March 7, 2025

Management's Discussion and Analysis

Our discussion and analysis of City of Hurst's (City) financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2024. Please read this in conjunction with the transmittal letter and the City's basic financial statements following this section.

Financial Highlights

The assets and deferred outflows of resources for the City of Hurst exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended September 30, 2024, by $233,282,476. Of this amount, $41,293,215 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net position increased $9,720,047, an increase of 4.35%. The net position of business-type activities increased by $11,602,357 or 18.30%, primarily due to operating revenues exceeding operating expenses and investment earnings and transfers in from governmental funds to be used on smart meter upgrades. Net position of the City's governmental activities decreased by $1,882,310 or 1.18%. Property tax values increased in tax year 2023, which generated additional revenues while also allowing the City to decrease the property tax rate. Sales taxes decreased slightly in FY2024 from the post COVID-19 peak seen in FY2023. Interest earnings were strong in FY2024 as interest rates remained elevated to combat inflation. Other revenues, including hotel/motel taxes, grants, inspection fees, weed mowing fees, and court fines contributed to the City's strong financial performance in FY2024. The City also transferred approximately $7 million from its governmental activities reserves to the Water and Sewer Fund to provide pay-go funding for the Advanced Metering System project.

The City's business-type activities are made up of water and sewer delivery, storm water management and Hurst Conference Center (HCC) operations. The Water and Sewer Fund ended the year with an operating income of $967,964 and after transfers and contributions achieved an ending increase in net position of $10,520,693. The Storm Water Management Fund provides for annual infrastructure maintenance and continues to accumulate reserves for large-scale projects identified in the City's Capital Improvements Plan (CIP). The Storm Water Management Fund contributed an increase of $715,168 to the change in net position of business-type activities. HCC experienced an increase in net position of $436,822. The City's objective is for the HCC to remain around "break-even" operationally with economic development sales tax and hotel/motel occupancy tax supporting the center's debt. Although HCC revenues continued to recover in FY2024, HCC experienced a loss before contributions and transfers totaling $7,721. Despite these challenges, the HCC has maintained a balance of one million dollars or more in cash and cash equivalents over the last seven fiscal years, including those impacted by the pandemic. Going forward, as operations return to normal, the City will strategically reinvest net operating proceeds back into the facility to ensure that it remains a vibrant component of the Hurst Town Center.

Net position of the two non-major Enterprise Funds decreased by $69,397. These funds, which include the Hurst Public Facility Corporation Fund and Val Oaks Fund, target the City's economic development initiatives.

Total cost of all of the City's programs was $88,680,781 in 2024 compared to $86,106,594 in 2023.

During the year, the City had governmental program expenses of $60,302,578, which is more than program and general revenues, contributions, and net transfers of $58,420,268. The FY2024 Budget included an increase of approximately 6% for salaries and benefits to help mitigate the impact of inflation on employees and to stay competitive in the marketplace. The FY2024 Budget included other targeted increases for equipment leases, software subscriptions, building/equipment maintenance, and workers compensation costs. While the FY2024 Budget was balanced, approximately $7 million in reserves in the Special Projects Fund were transferred to the Water and Sewer Fund for the Advanced Metering System project. The use of Special Projects reserves allows the City to fund certain projects on a pay-go basis and avoid financing costs.

The business-type activities had program expenses of $28,378,203, which were covered by operating revenues and contributions of $30,373,954. Additionally, $9,606,606 of general revenues, including transfers, contributed to the excess revenues over program expenses. Approximately $4.4 million of this excess was reserved for future capital expenditures. Payments to the City of Fort Worth for wholesale water decreased by 4.9%, primarily due to the annual raw water settle-up adjustment that decreased the City's September 2024 payment by approximately $450,000. Conversely, payments to the City of Fort Worth and the Trinity River Authority for wholesale wastewater treatment rose by approximately 16.75% to cover rising treatment costs and infrastructure upgrades. The FY2024 Budget also included an increase of approximately 6.5% for salaries and benefits. Water revenues decreased by approximately 1.6% in FY2024, and can fluctuate from year-to-year based on changing weather conditions. Sewer revenues are generally more stable and increased by approximately 4.5% following a 4% increase in water/sewer rates in the FY2024 Budget. Contributions from private sources and interest earnings also contributed to revenue growth in FY2024.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14 through 15) provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements start on page 17. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most financially significant funds.

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities:

Our analysis of the City as a whole begins on page 14. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in them. You can think of the City's net position, the difference between assets and deferred outflows, what the citizens own, and liabilities and deferred inflows of resources, what the citizens owe, as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net position are one indicator of its *financial health*. You will need to consider other non-financial factors, however, such as changes in the City's tax base, and the condition of the City's capital assets (roads, buildings and water and sewer lines) to assess the *overall health* of the City.

For the governmental activities, net position decreased by $1,882,310 which is primarily impacted by an increase in revenues by $3,664,743 while expenditures increased by $1,383,028. Although sales taxes decreased slightly in FY2024, revenues were positively impacted by rising interest earnings, property taxes, and Community Development fees, as well as increased building inspection charges for services. Funding from Tarrant County for Pipeline Road widening decreased in FY2024, but other intergovernmental revenues increased. Expenditures were impacted by increased salaries and benefits. Additionally, net transfers increased by $7,136,737 due to an increase in transfers to the Water and Sewer Fund.

In the Statement of Net Position and the Statement of Activities we divide the City into two kinds of activities:

Governmental Activities: most of the City's basic services are reported here, including the police, fire, municipal court, street maintenance, parks and recreation, financial services, and general administration. Property taxes, sales taxes, charges for services, and fines/forfeitures finance most of these activities.

Business-type Activities: the City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's water and sewer system, storm water management activities, conference center operations, and public facility corporation activities are reported here.

Reporting the City's Most Significant Funds (Fund Financial Statements)

Our analysis of the City's major funds begins on page 16. The governmental funds financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law. However, the City Council establishes many other funds to help it control and manage activity for particular purposes or to show that it is meeting legal responsibilities for using certain revenues. Understanding a fund's origin and purpose is essential for the appropriate presentation of fund balance per GASB 54, *Fund Balance Reporting and Government Fund Type Definitions.*

The City's two primary types of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations following the fund financial statements.

Proprietary Funds: When the City charges customers for the full cost of the services it provides, whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds (a component of business-type funds) are the same as the business-type activities we report in the government-wide statements (except for any proration of net income or loss from internal service funds) but provide more detail and additional information, such as cash flows, for proprietary funds.

The City as a Whole

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $233,282,476, as of September 30, 2024.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 95,320,344	$ 98,947,160	$ 36,457,202	$ 28,483,901	$ 131,777,546	$ 127,431,061
Capital, lease, and subscription assets	154,427,716	150,646,784	57,118,711	50,953,803	211,546,427	201,600,587
Total assets	249,748,060	249,593,944	93,575,913	79,437,704	343,323,973	329,031,648
Deferred outflows of resources	13,551,845	18,858,784	2,689,738	3,649,855	16,241,583	22,508,639
Long-term liabilities	96,800,033	100,143,748	15,225,210	14,582,796	112,025,243	114,726,544
Other liabilities	5,106,796	4,867,515	5,317,214	4,180,574	10,424,010	9,048,089
Total liabilities	101,906,829	105,011,263	20,542,424	18,763,370	122,449,253	123,774,633
Deferred inflows of resources	3,100,480	3,266,559	733,347	936,666	3,833,827	4,203,225
Net position						
Net investment in capital assets	110,245,082	105,576,298	51,453,028	46,021,443	161,698,110	151,597,741
Restricted	30,291,151	28,074,737	-	-	30,291,151	28,074,737
Unrestricted	17,756,363	26,523,871	23,536,852	17,366,080	41,293,215	43,889,951
Total net position	$ 158,292,596	$ 160,174,906	$ 74,989,880	$ 63,387,523	$ 233,282,476	$ 223,562,429

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
General Revenue						
Sales taxes	$ 24,289,712	$ 24,491,658	$ -	$ -	$ 24,289,712	$ 24,491,658
Franchise taxes	2,653,614	2,694,566	-	-	2,653,614	2,694,566
Property taxes	23,090,993	22,070,415	-	-	23,090,993	22,070,415
Occupancy taxes	858,190	1,020,995	-	-	858,190	1,020,995
Investment earnings (losses)	5,069,797	3,149,934	1,404,232	860,026	6,474,029	4,009,960
Grants not restricted to specific programs	-	-	-	-	-	-
Miscellaneous	1,121,117	1,693,590	918,887	-	2,040,004	1,693,590
Program revenue						
Charges for service	4,987,048	4,330,476	28,470,936	28,938,085	33,457,984	33,268,561
Operating grants and contributions	2,013,386	2,361,002	-	-	2,013,386	2,361,002
Capital grants and contributions	1,619,898	226,376	1,903,018	400,058	3,522,916	626,434
Total revenues	65,703,755	62,039,012	32,697,073	30,198,169	98,400,828	92,237,181
Program Expenses Including Indirect Expenses						
General government	9,616,217	7,937,133	-	-	9,616,217	7,937,133
Public safety	30,952,740	33,012,865	-	-	30,952,740	33,012,865
Culture and recreation	13,381,888	11,800,248	-	-	13,381,888	11,800,248
Public works	4,967,470	4,736,648	-	-	4,967,470	4,736,648
Interest on debt	1,384,263	1,432,656	-	-	1,384,263	1,432,656
Water and sewer	-	-	23,262,027	22,252,474	23,262,027	22,252,474
Stormwater management	-	-	1,221,302	1,223,552	1,221,302	1,223,552
Hurst Public Facility Corporation	-	-	50,650	8,429	50,650	8,429
Val Oaks	-	-	175,582	56,571	175,582	56,571
Conference and meeting center	-	-	3,668,642	3,646,018	3,668,642	3,646,018
Total expenses	60,302,578	58,919,550	28,378,203	27,187,044	88,680,781	86,106,594
Excess Before Transfers	5,401,177	3,119,462	4,318,870	3,011,125	9,720,047	6,130,587
Transfers	(7,283,487)	(146,750)	7,283,487	146,750	-	-
Change in Net Position	(1,882,310)	2,972,712	11,602,357	3,157,875	9,720,047	6,130,587
Net Position Beginning	160,174,906	157,202,194	63,387,523	60,229,648	223,562,429	217,431,842
Net Position Ending	$ 158,292,596	$ 160,174,906	$ 74,989,880	$ 63,387,523	$ 233,282,476	$ 223,562,429

Net position of the City's governmental activities decreased by 1,882,310, equaling $158,292,596 at September 30, 2024, compared to $160,174,906 at September 30, 2023.

For the net position of the City's Governmental Activities, Net Investment in Capital Assets and restricted increased by a combined $6,885,198, while Unrestricted net position decreased by $8,767,508, largely due to increased operating expenses and a transfer to Water and Sewer Fund of approximately $7 million for the Advanced Metering System project. Some functions such as general government, culture and recreation, and public works reflect increases in operating expenses which are offset by decreases in public safety. In FY2024, the City provided a 3.5% Cost of Living Adjustment and other targeted salary increases to remain competitive, and increased the employer contribution to our self-funded health care plan. Although it appears to be leveling off, operating expenses were also impacted by ongoing inflationary pressures.

The increase in operating expenses were partially offset by increases in property and hotel/motel taxes, interest earnings, and Community Development fees. Sales tax revenues were down slightly in FY2024, but are conservatively budgeted due to the potentially volatile nature. As a result, actual sales tax revenues exceeded budget by $2.9 million. Charges for services increased from FY2023 due to increased building inspections and related charges. Miscellaneous revenue decreased in FY2024 as a result of nonrecurring proceeds in FY2023. Unrestricted net position can be used to finance the day-to-day operations of the City, while the use of restricted net position is constrained by debt covenants, enabling legislation, or other legal requirements. Restricted net position is primarily used for public safety, community development, tourism, transit activities, capital projects, and debt service.

The net position of the City's business-type activities increased by $11,602,357 or 18.30% in 2024 to $74,989,880 compared to $63,387,523 in 2023. Operating income of $782,519 occurred before transfers and contributions. The City raised water and sewer rates by 4% in FY24 to offset rising wholesale water and wastewater costs. Water revenues are heavily influenced by weather patterns. Overall, the Water and Sewer Fund remains fiscally sound.

The City's Funds

The following schedules presents a summary of general, special revenue, capital projects/special projects and debt service revenues and expenditures for the fiscal year ended September 30, 2024, and the amount and percentage of increases and decreases in relation to the prior year.

Revenues	FY2024 Amount	Percent of Total	Increase (Decrease) from FY2023	Percent Increase (Decrease)
Taxes	$ 50,793,135	81.96%	$ 500,194	0.99%
Licenses and permits	1,150,498	1.86%	110,884	10.67%
Intergovernmental	2,392,857	3.86%	31,855	1.35%
Charges for services	2,393,911	3.86%	106,916	4.67%
Fines and forfeitures	512,195	0.83%	52,436	11.41%
Investment earnings	4,362,251	7.04%	1,566,607	56.04%
Miscellaneous	366,118	0.59%	(179,802)	(32.94)%
Total revenues	$ 61,970,965	100.00%	$ 2,189,090	

Property taxes and interest earnings drove increased revenues in FY2024. Other revenues, including inspection fees, Community Development fees, hotel/motel taxes and municipal court fines also experienced year-over-year increases in FY2024. Sales taxes were down slightly in FY2024. Phased funding from Tarrant County for Pipeline Road widening leveled off in FY2024, which significantly offset other increases in intergovernmental support from agencies at the federal, state and local levels. Although the City holds all investments to maturity, gains/losses are recognized in the financial statements at year end. As the investment market recovered in FY2024, the City recognized investment earnings as the interest rates of investments held in the City's portfolio are more than current market rates.

Expenditures	FY2024 Amount	Percent of Total	Increase (Decrease) from FY2023	Percent Increase (Decrease)
General government	4,336,270	7.01%	590,705	15.77%
Public safety	28,260,025	45.68%	1,565,319	5.86%
Culture and recreation	10,888,967	17.60%	897,337	8.98%
Public works	3,022,584	4.89%	249,038	8.98%
Capital outlay	10,133,622	16.38%	5,419,494	114.96%
Debt service				
Principal	3,733,044	6.03%	(11,790)	-0.31%
Interest and fees	1,496,268	2.42%	(60,570)	-3.89%
Total expenditures	$ 61,870,780	100.00%	$ 8,649,533	

Capital outlay and public works maintenance amounts fluctuate each year according to construction schedules and asset replacement programs. While inflationary pressures impacted all functions in FY2024, general government also absorbed retirement costs for several long-tenured employees. Based upon our accounting policies, certain retirement costs for all departments are categorized within general government. In FY2024, approximately 60% of retirement costs are attributed to public safety. Other increases in general government include storm debris removal and increased expenditures for community development enforcement actions to preserve community standards.

The General Fund is the chief operating fund of the City. General Fund revenues exceeded expenditures by $3,899,607. The primary revenue drivers are property taxes, sales taxes, and charges for services. While sales taxed dipped slightly in FY2024, property taxes increased due to rising property values and charges for services increased due to code compliance enforcement initiatives. Interest earnings also increased as the Federal Reserve has steadily raised interest to combat inflation and other market pressures. Departmental expenditures increased in FY2024 due to salary and benefit adjustments, inflationary pressures for other goods and services, and capital expenditures for infrastructure and other needs. A 90-day reserve was retained in the General Fund at fiscal year-end, while $3.4 million in excess reserves were transferred to the Special Projects Fund for pay-go projects, and $600,000 was transferred to the Loss Reserve fund to offset health care costs. At fiscal year end, the spendable, unassigned fund balance of the General Fund was $10,827,343 compared to $21,654,580 at September 30, 2023. Staff monitors fund balance to ensure that ninety days of operations are always in reserve.

The fund balance in the Half Cent Development Corporation (HCDC) Special Revenue Fund increased by $465,536 in 2024 after increasing $772,464 in 2023. Sales taxes dipped slightly, but intergovernmental revenues and interest earnings contributed to the increased fund balance. Operating expenditures increased, including for professional services, infrastructure maintenance, internal service allocations, supplies and utilities. Capital expenditures also increased, including for landscape enhancements, a playground replacement and a bridge repair.

The Fund Balance in the Anti-Crime Special Revenue Fund decreased by $1,182,450, after increasing $1,561,333 last year. Sales taxes dipped slightly, but were offset by increased interest earnings. In FY2024 the City outsourced its jail operations to a neighboring city and incurred increased expenditures to manage this transition. The City also transferred $2.5 million to the Special Projects Fund for public safety radios.

The fund balance in the Special Projects Fund increased by $3,778,505 in FY2024. Interest earnings increased due to rising interest rates, while funding from Tarrant County for Pipeline Road widening decreased. Transfers in from the Anti-Crime Special Revenue Fund for public safety radios of $2.5 million and from the General Fund for excess reserves of $3.4 million were offset by transfers out of $9.6 million for the Advanced Metering System project, medical equipment, an office remodel at the Hurst Conference Center, and a one-time lump sum payroll for full and part-time staff. Capital "Pay-Go" projects charged to this Fund in FY2024 included Pipeline Road widening and public safety radio upgrades. Special Projects' ending fund balance is assigned for projects approved by City Council and Management.

General Fund Budgetary Highlights

The FY2024 budget maintained existing service levels while also considering inflationary pressures and lingering supply chain constraints. Actual General Fund revenues of $42,599,917 exceeded budgeted revenues of $38,078,891 by $4,521,026. Property taxes, which are the General Fund's largest and most predictable source of revenue, met budgeted expectations, while sales taxes exceeded budget by approximately $1.9 million. Due to its potentially volatile nature, the City always budgets sales taxes conservatively. The Community Services division was significantly impacted by the COVID-19 pandemic and charges for services fell below budget in FY2024 for both recreational activity and aquatics fees. Other charges for services increased, however, including ambulance fees and Community Development fees. As a result, charges for services finished $323,029 over budget. Intergovernmental revenues exceeded budget by approximately $1.1 million. The majority of these intergovernmental revenues were not budgeted in FY2024, including transportation revenues, special investigation revenues, and miscellaneous grant reimbursements for safety equipment and crime victim/mental health coordinator salaries. Actual General Fund expenditures of $38,700,310 were above budgeted expenditures of $37,763,931. This $936,379 negative variance was due to the issuance of a lease for medical equipment that increased capital expenditures, which is offset by an other financing source (leases issued)

Capital Asset and Debt Administration

Capital Assets: At September 30, 2024, the City had $211,546,427 invested in capital assets including police and fire equipment, buildings, park facilities, roads, water, sewer, and storm-water facilities (See table below.) This represents a net increase of $9,945,840, or 4.93%, from last year. This increase was caused by several ongoing capital projects in FY2024.

	Governmental Activities		Business-type Activities		Total	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Land	$ 64,229,637	$ 63,995,754	$ 564,612	$ 564,612	$ 64,794,249	$ 64,560,366
Buildings	45,728,231	50,103,594	485,597	787,322	46,213,828	50,890,916
Improvements	24,448,639	25,036,486	49,130,164	46,959,738	73,578,803	71,996,224
Machinery and equipment	4,785,173	4,891,251	876,340	602,662	5,661,513	5,493,913
Leased equipment	1,601,952	142,364	-	-	1,601,952	142,364
Subscription assets	1,294,185	1,852,630	-	-	1,294,185	1,852,630
CIP	12,339,899	4,624,705	6,061,998	2,039,469	18,401,897	6,664,174
Total	$ 154,427,716	$ 150,646,784	$ 57,118,711	$ 50,953,803	$ 211,546,427	$ 201,600,587

This year's major asset additions (including work in progress) are as follows:

Title	Amount
Pipeline Phases 3 and 4	$ 2,514,735
Public Safety Radios and Upgrades	2,036,811
Street Improvements	1,037,501
Sewer System Main Replacements	1,491,313
Water Main Replacements	1,346,832
.75 MG Elevated Storage Tank at Mary Drive	822,866
Smart Meter Upgrades	649,323
Sewer Cleaning Vehicle	519,635

See *Note 6* to the financial statements for more detailed information on capital, lease, and subscription asset activity.

Long-term Debt: At September 30, 2024, the total debt outstanding, excluding premiums, was $52,016,290. Of this amount, $49,730,000 comprises debt backed by the full faith and credit of the City. While $255,000 represents notes secured by specific revenue sources. The remaining $2,031,290 represents debt for leased equipment and subscription assets. See *Note 7* to the financial statements for more detailed information on long-term debt activity.

	Governmental Activities		Business-type Activities		Total	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
General obligation	$ 28,870,000	$ 31,350,000	$ 2,515,000	$ 3,215,000	$ 31,385,000	$ 34,565,000
Certificates of obligation	14,675,000	13,530,000	3,670,000	1,810,000	18,345,000	15,340,000
Public property finance contractual obligations	255,000	335,000	-	-	255,000	335,000
Tax notes	-	180,000	-	-	-	180,000
Lease liabilities	1,441,638	130,686	-	-	1,441,638	130,686
Subscription liabilities	589,652	822,856	-	-	589,652	822,856
Total	$ 45,831,290	$ 46,348,542	$ 6,185,000	$ 5,025,000	$ 52,016,290	$ 51,373,542

The City's funds continue to have favorable credit ratings. The City's current ratings are as follows:

	Moody's Investor Services	Standard & Poor's
General Obligation Bonds	AA2	AA+
Certificates of Obligations	AA2	AA+

Economic Factors and Next Year's Budgets and Rates

The FY 2024-2025 budget continues to reflect the City Council's conservative fiscal policies. Major objectives in the budget process include identifying cost-saving measures while providing funding to implement the City Council's strategic plans. The FY25 budget maintains service levels while managing inflationary pressures, replaces aging public safety equipment, maintains public spaces and allows for the pursuit of regional partnerships and redevelopment opportunities where appropriate. The FY 2024-2025 budget includes a 3.5% wage increase for all employees plus other targeted market adjustments to remain competitive in the local employment market.

Collectively, property and sales tax revenues are budgeted to increase by approximately $2.2 million in FY25. The property tax rate of $0.591324 per $100 represents a one-cent increase and will, in conjunction with rising property values, assist in managing ongoing inflationary pressures. The sales tax budget was increased based on prior year trends, but remains conservative and includes a contingency of approximately 10-percent of general fund sales tax revenue. The sales tax contingency helps alleviate the impact of economic downturns while providing excess revenues during periods of economic growth. At fiscal year-end, General Fund reserves exceeding 90-days of operations are transferred to the Special Projects Fund and are used for pay-go projects and other unfunded needs. The Special Projects Fund also maintains an $8 million emergency reserve.

For FY25, the Enterprise (Water/Wastewater) Fund's operating budget increased by 6%. The City contracts with Fort Worth and the Trinity River Authority for wholesale water and wastewater services. And these wholesale costs, which represent over 40% of this fund's budget, increased by approximately 8% for FY25.

Under the city's rate smoothing policy, the Council considers small incremental rate increases each year. As such, The FY25 budget includes a 3% increase in water and sewer rates for residential and commercial customers largely to offset increases in wholesale costs, absorb inflationary pressures and support market-based wage adjustments. Due to sound financial planning, the Enterprise Fund has been able to overcome variations in rainfall and consistently finish each fiscal year in a stable financial position.

Other Enterprise funds are established to account for Storm Drainage and Hurst Conference Center (HCC) operations. The Storm Drainage fee generates approximately $1.1 million per year and all proceeds are utilized to mitigate flooding and other drainage issues throughout the City. The Hurst Conference Center's offerings range from intimate gatherings to corporate events hosting up to approximately 1,000 people. Although the HCC was significantly impacted by the pandemic, revenues have since recovered and reached a new all-time high of $3.7 million in FY2024.

Contacting the City's Financial Management

This financial report is designed to provide our residents, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Office at 1505 Precinct Line Road, Hurst, Texas 76054 (817) 788-7067 or email pbrown@hursttx.gov. To view financial documents, you may also visit the City's Website at www.hursttx.gov.

City of Hurst, Texas
Statement of Net Position
September 30, 2024 with Summarized Totals for September 30, 2023

	Governmental Activities	Business-type Activities	Totals 2024	Totals 2023
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	$ 22,602,963	$ 16,340,006	$ 38,942,969	$ 7,824,694
Investments	55,996,618	16,045,847	72,042,465	100,001,333
Accounts receivables, net	9,743,298	4,109,195	13,852,493	12,648,140
Lease receivables	141,204	67,660	208,864	359,848
Internal balances	2,409,203	(2,409,203)	-	-
Inventories and prepaid expenses	260,434	276,023	536,457	509,719
Restricted assets				
Cash and cash equivalents	3,210,455	2,027,674	5,238,129	345,870
Investments	956,169	-	956,169	5,741,457
Total current assets	95,320,344	36,457,202	131,777,546	127,431,061
Land	64,229,637	564,612	64,794,249	68,289,117
Construction in progress	12,339,899	6,061,998	18,401,897	6,664,174
Depreciable, lease and subscription assets, net	77,858,180	50,492,101	128,350,281	126,647,296
Total noncurrent assets	154,427,716	57,118,711	211,546,427	201,600,587
Total assets	249,748,060	93,575,913	343,323,973	329,031,648
Deferred Outflows of Resources				
Deferred outflows related to pensions	9,203,265	1,633,028	10,836,293	16,916,995
Deferred outflows related to OPEB	3,599,082	915,007	4,514,089	4,559,808
Deferred loss on bond refunding	749,498	141,703	891,201	1,031,836
Total deferred outflows of resources	13,551,845	2,689,738	16,241,583	22,508,639
Total assets and deferred outflows of resources	$ 263,299,905	$ 96,265,651	$ 359,565,556	$ 351,540,287
Liabilities, Deferred Inflows of Resources and Net Position				
Accounts payable and accrued liabilities	$ 5,028,794	$ 2,544,828	$ 7,573,622	$ 6,022,306
Escrow deposits and unearned revenue	78,002	679,654	757,656	916,201
Customer deposits	-	2,092,732	2,092,732	2,109,582
Current portion of net OPEB liability	692,547	176,069	868,616	811,106
Current portion of long-term liabilities	8,031,925	1,214,179	9,246,104	9,057,909
Total current liabilities	13,831,268	6,707,462	20,538,730	18,917,104
Net pension liability	26,338,913	4,673,582	31,012,495	36,784,566
Net OPEB liability, net of current portion	13,158,403	3,345,301	16,503,704	15,411,010
Long-term liabilities, net of current portion	48,578,245	5,816,079	54,394,324	52,661,953
Total noncurrent liabilities	88,075,561	13,834,962	101,910,523	104,857,529
Total liabilities	101,906,829	20,542,424	122,449,253	123,774,633
Deferred Inflows of Resources				
Deferred inflows related to pensions	663,714	117,769	781,483	171,888
Deferred inflows related to OPEB	2,189,744	556,705	2,746,449	3,573,772
Deferred inflows related to leases	129,666	58,873	188,539	332,730
Deferred gain on refunding	117,356	-	117,356	124,835
Total deferred inflows of resources	3,100,480	733,347	3,833,827	4,203,225
Net Position				
Net investment in capital assets	110,245,082	51,453,028	161,698,110	151,597,741
Restricted for				
Debt service	1,212,345	-	1,212,345	1,155,936
Capital projects	165,926	-	165,926	26,439
Community development	8,253,656	-	8,253,656	7,788,120
Public safety	11,997,142	-	11,997,142	11,664,322
Municipal court	452,900	-	452,900	452,041
Parks	611,002	-	611,002	511,954
Traffic Safety	76,136	-	76,136	302,297
Tourism, convention center, arts	3,125,242	-	3,125,242	2,551,662
Urban transit	4,160,027	-	4,160,027	3,423,793
Other	236,775	-	236,775	198,173
Unrestricted	17,756,363	23,536,852	41,293,215	43,889,951
Total net position	158,292,596	74,989,880	233,282,476	223,562,429
Total liabilities, deferred inflows of resources and net position	$ 263,299,905	$ 96,265,651	$ 359,565,556	$ 351,540,287

City of Hurst, Texas
Statement of Activities
For the Year Ended September 30, 2024 with Summarized Totals for September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities				
General government	$ 9,616,217	$ 1,097,872	$ 1,279,850	$ 6,399
Public safety	30,952,740	1,967,644	156,425	83,118
Culture and recreation	13,381,888	1,023,667	577,111	-
Public works	4,967,470	897,865	-	1,530,381
Interest expense	1,384,263	-	-	-
Total governmental activities	60,302,578	4,987,048	2,013,386	1,619,898
Business-type Activities				
Water and sewer services	23,262,027	23,672,638	-	1,140,673
Stormwater services	1,221,302	1,105,097	-	762,345
Hurst Public Facility Corporation	50,650	32,280	-	-
Val Oaks	175,582	-	-	-
Conference and meeting center	3,668,642	3,660,921	-	-
Total business-type activities	28,378,203	28,470,936	-	1,903,018
Total primary government	$ 88,680,781	$ 33,457,984	$ 2,013,386	$ 3,522,916
General Revenues				
Property taxes, penalty, and interest				
Sales taxes				
Franchise taxes				
Occupancy taxes				
Investment earnings (losses)				
Gain on sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

Net (Expense) Revenue and Changes in Net Position			
		Totals	
Governmental Activities	Business-type Activities	2024	2023
$ (7,232,096)	$ -	$ (7,232,096)	$ (6,357,004)
(28,745,553)	-	(28,745,553)	(31,154,189)
(11,781,110)	-	(11,781,110)	(9,506,057)
(2,539,224)	-	(2,539,224)	(3,551,790)
(1,384,263)	-	(1,384,263)	(1,432,656)
(51,682,246)	-	(51,682,246)	(52,001,696)
-	1,551,284	1,551,284	2,155,944
-	646,140	646,140	(60,777)
-	(18,370)	(18,370)	161,650
-	(175,582)	(175,582)	(56,571)
-	(7,721)	(7,721)	(49,147)
-	1,995,751	1,995,751	2,151,099
(51,682,246)	1,995,751	(49,686,495)	(49,850,597)
23,090,993	-	23,090,993	22,070,415
24,289,712	-	24,289,712	24,491,658
2,653,614	-	2,653,614	2,694,566
858,190	-	858,190	1,020,995
5,069,797	1,404,232	6,474,029	4,009,960
-	412,562	412,562	-
1,121,117	506,325	1,627,442	1,693,590
(7,283,487)	7,283,487	-	-
49,799,936	9,606,606	59,406,542	55,981,184
(1,882,310)	11,602,357	9,720,047	6,130,587
160,174,906	63,387,523	223,562,429	217,431,842
$ 158,292,596	$ 74,989,880	$ 233,282,476	$ 223,562,429

City of Hurst, Texas
Balance Sheet
Governmental Funds
September 30, 2024 with Summarized
Totals for September 30, 2023

		Special Revenue Funds	
	General Fund	HCDC	Anti-Crime
Assets			
Cash and cash equivalents	$ 1,915,482	$ 2,865,590	$ 4,529,887
Investments	17,375,428	4,409,253	4,812,440
Receivables, net			
Taxes	2,159,351	974,122	967,376
Lease	141,204	-	-
Court	2,574,569	-	-
Other	1,883,865	149,389	90,380
Inventories and prepaid expenses	22,683	-	-
Due from other funds	1,577,414	-	-
Total assets	$ 27,649,996	$ 8,398,354	$ 10,400,083
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable and accrued items	$ 2,494,598	$ 168,340	$ 142,442
Escrow deposits payable and unearned revenue	78,002	-	-
Due to other funds	-	-	-
Total liabilities	2,572,600	168,340	142,442
Deferred Inflows of Resources			
Lease related	129,666	-	-
Unavailable revenue	3,649,482	-	-
Total deferred inflows of resources	3,779,148	-	-
Fund Balances			
Nonspendable			
Inventory	22,683	-	-
Restricted	10,425,315	8,230,014	10,257,641
Assigned	22,907	-	-
Unassigned	10,827,343	-	-
Total fund balances	21,298,248	8,230,014	10,257,641
Total liabilities, deferred inflows of resources and fund balances	$ 27,649,996	$ 8,398,354	$ 10,400,083

Capital Projects Funds	Nonmajor	Totals	
Special Projects	Governmental Funds	2024	2023
$ 3,412,266	$ 5,116,366	$ 17,839,591	$ 1,479,812
22,283,207	1,056,169	49,936,497	70,920,965
-	36,472	4,137,321	4,381,377
-	-	141,204	155,976
-	-	2,574,569	2,344,059
414,453	25,917	2,564,004	1,714,143
-	-	22,683	27,883
-	-	1,577,414	7,994,561
$ 26,109,926	$ 6,234,924	$ 78,793,283	$ 89,018,776
$ 157,438	$ 1,014,634	$ 3,977,452	$ 4,022,291
-	-	78,002	68,885
653,404	888,309	1,541,713	7,994,561
810,842	1,902,943	5,597,167	12,085,737
-	-	129,666	146,371
-	33,366	3,682,848	2,775,107
-	33,366	3,812,514	2,921,478
-	-	22,683	27,883
-	4,411,762	33,324,732	30,785,612
25,299,084	-	25,321,991	21,543,486
-	(113,147)	10,714,196	21,654,580
25,299,084	4,298,615	69,383,602	74,011,561
$ 26,109,926	$ 6,234,924	$ 78,793,283	$ 89,018,776

CITY OF HURST
TEXAS

City of Hurst, Texas
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
September 30, 2024

Total governmental fund balances	$	69,383,602
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital, lease, and subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds, excluding internal service funds capital, lease, and subscription assets.		150,971,932
Accrued interest on governmental activities debt is not reported in the funds until paid.		(176,032)
Certain revenue earned but unavailable and long-term receivables are deferred in the funds.		3,682,848
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds that are attributable to governmental activities are included in the government-wide financial statements.		19,389,069
Other postemployment benefits and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore are not reported in the governmental funds financial statements, excluding internal service funds other postemployement benefits and related deferred outflows and inflows of resources.		(11,971,911)
Pension related liabilities and related deferred outflows and inflows of resources are not due and payable in the current period and, therefore are not reported in the governmental funds financial statements, excluding pension related liabilities and related deferred outflows and inflows of resources.		(17,271,230)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds, excluding internal service funds compensated absences.		(8,692,508)
Tax notes, bonds payable, contractual obligations, lease, and subscription liabilities are not due and payable in the current period and therefore are not reported in the funds, excluding internal service funds long-term liabilities. Losses on issuance of refunding bonds are not reported in the funds but are reported as deferred outflows in the statement of net position.		(47,023,174)
Net position of governmental activities	$	158,292,596

City of Hurst, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2024 with Summarized
Totals for Year Ended September 30, 2023

		Special Revenue Funds	
	General	HCDC	Anti-Crime
Revenues			
Taxes, penalty and interest	$ 35,245,588	$ 6,103,825	$ 6,058,772
Licenses/permits	1,150,498	-	-
Support from governmental entities	1,525,792	289,954	-
Charges for services	2,393,911	-	-
Fines and fees	512,195	-	-
Investment earnings	1,500,841	398,448	561,791
Miscellaneous	271,092	6,654	1,517
Total revenues	42,599,917	6,798,881	6,622,080
Expenditures			
Current			
General government	4,024,462	-	-
Public safety	22,780,335	-	5,346,682
Culture and recreation	6,831,372	4,048,101	-
Public works	3,022,584	-	-
Capital outlay	1,930,640	1,070,662	-
Debt service			
Principal retirement	97,583	-	-
Interest and fiscal charges	13,334	-	-
Total expenditures	38,700,310	5,118,763	5,346,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,899,607	1,680,118	1,275,398
Other Financing Sources (Uses)			
Issuance of debt	-	-	-
Premium on bond issuance	-	-	-
Leases issued	1,341,637	-	-
Subscriptions issued	-	-	-
Proceeds from sale of capital assets	4,128	-	-
Transfers in	2,072,301	8,805	42,152
Transfers out	(15,412,588)	(1,223,387)	(2,500,000)
Total other financing sources (uses)	(11,994,522)	(1,214,582)	(2,457,848)
Net Change in Fund Balances	(8,094,915)	465,536	(1,182,450)
Fund Balances, Beginning of Year	29,393,163	7,764,478	11,440,091
Fund Balances, End of Year	$ 21,298,248	$ 8,230,014	$ 10,257,641

Capital Projects Funds	Nonmajor	Totals	
Special Projects	Governmental Funds	2024	2023
$ -	$ 3,384,950	$ 50,793,135	$ 50,292,941
-	-	1,150,498	1,039,614
577,111	-	2,392,857	2,361,002
-	-	2,393,911	2,286,995
-	-	512,195	459,759
1,654,117	247,054	4,362,251	2,795,644
86,855	-	366,118	545,920
2,318,083	3,632,004	61,970,965	59,781,875
311,808	-	4,336,270	3,745,565
133,008	-	28,260,025	26,694,706
9,494	-	10,888,967	9,991,630
-	-	3,022,584	2,773,546
5,324,756	1,807,564	10,133,622	4,714,128
65,461	3,570,000	3,733,044	3,744,834
11,039	1,471,895	1,496,268	1,556,838
5,855,566	6,849,459	61,870,780	53,221,247
(3,537,483)	(3,217,455)	100,185	6,560,628
-	1,975,000	1,975,000	-
-	61,333	61,333	-
-	-	1,341,637	130,686
-	-	-	284,915
-	-	4,128	-
16,960,957	1,790,833	20,875,048	6,045,751
(9,644,969)	(204,346)	(28,985,290)	(7,373,077)
7,315,988	3,622,820	(4,728,144)	(911,725)
3,778,505	405,365	(4,627,959)	5,648,903
21,520,579	3,893,250	74,011,561	68,362,658
$ 25,299,084	$ 4,298,615	$ 69,383,602	$ 74,011,561

CITY OF HURST
TEXAS

City of Hurst, Texas
Reconciliation of Changes in Fund Balances of Governmental Funds to Change in Net Position in the Statement of Activities
For the Year Ended September 30, 2024

Net change in fund balances - total governmental funds	$	(4,627,959)
Amounts reported for governmental funds in the statement of activities are different because:		
Change in revenues not considered available in the governmental funds.		907,741
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlays in the current year. This amount excludes $1,117,995 of depreciation/amortization expense in the internal service funds.		
Capital outlay, including capital, lease and subscription expenditures		10,133,622
Depreciation/amortization		(7,802,617)
The net effect of various transactions involving capital assets (i.e. sales and contributions) is to increase or decrease net position.		1,231,741
Proceeds from debt and subscriptions issued, including premiums, are an other financing source in the funds, but a debt issuance increases long-term liabilities in the statement of net position.		(3,377,970)
Repayment of long-term debt, including bond refundings, leases, and subscriptions, is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		3,733,044
Governmental funds report the effect of premiums, discounts and similar items when debt is first issed, whereas the amounts are deferred and amortized in the statement of activities.		207,983
Governmental funds report the effect of losses on refundings when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.		(98,666)
Current year change in accrued interest payable requires the use of current financial resources; but it is not reported as an expense in the governmental-wide statement.		2,688
Current year pension expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures, and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows/inflows of resources balances.		(756,713)
Current year OPEB expenditures are reported on the fiscal year basis in the governmental statement of revenues, expenditures, and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows/inflows of resources balances.		(282,791)
Current year changes in long-term liabilities for compensated absences do not require the use of current financial resources; therefore they are not reported as expenditures in governmental funds.		(1,336,289)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The change in net position of the internal service funds is reported with governmental activities (net of amount allocated to business-type activities).		183,876
Change in net position of governmental activities	$	(1,882,310)

City of Hurst, Texas
Statement of Net Position
Proprietary Funds
September 30, 2024 with Summarized Totals for September 30, 2023

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Nonmajor Enterprise Funds	2024	2023
Assets						
Current assets						
Cash and cash equivalents	$ 13,687,636	$ 1,514,691	$ 663,838	$ 473,841	$ 16,340,006	$ 3,146,100
Investments	15,740,949	-	304,898	-	16,045,847	20,852,213
Accounts receivable (net of allowance for uncollectible accounts of $47,865 in 2024 and $50,005 in 2023)	3,565,702	48,404	130,619	-	3,744,725	3,764,562
Lease receivable	2,387	-	-	65,273	67,660	203,872
Inventory of materials and supplies, at cost	196,581	33,680	-	-	230,261	220,717
Other receivables	354,882	-	9,343	245	364,470	397,657
Due from other funds	1,000	-	-	-	1,000	-
Prepaids and other assets	19,200	26,562	-	-	45,762	25,108
Restricted assets						
Cash and cash equivalents	2,027,674	-	-	-	2,027,674	162,069
Investments	-	-	-	-	-	2,084,176
Total current assets	35,596,011	1,623,337	1,108,698	539,359	38,867,405	30,856,474
Noncurrent assets						
Construction in progress	-	-	-	-	-	1,428,394
Capital assets	97,040,224	1,088,412	7,748,967	-	105,877,603	96,647,122
Accumulated depreciation/amortization	(46,635,456)	(397,628)	(1,725,808)	-	(48,758,892)	(47,121,713)
Total noncurrent assets	50,404,768	690,784	6,023,159	-	57,118,711	50,953,803
Total assets	86,000,779	2,314,121	7,131,857	539,359	95,986,116	81,810,277
Deferred Outflows of Resources						
Deferred pension outflows	1,196,326	334,840	101,862	-	1,633,028	2,549,390
Deferred OPEB outflows	692,461	160,703	61,843	-	915,007	924,272
Deferred loss on bond refunding	141,703	-	-	-	141,703	176,193
Total deferred outflows of resources	2,030,490	495,543	163,705	-	2,689,738	3,649,855
Total assets and deferred outflows of resources	88,031,269	2,809,664	7,295,562	539,359	98,675,854	85,460,132
Liabilities						
Current liabilities						
Accounts payable and accrued items	$ 2,345,830	$ 136,254	$ 37,517	$ -	$ 2,519,601	$ 1,206,308
Due to other funds	-	-	-	36,701	36,701	-
Unearned revenue	-	679,654	-	-	679,654	847,316
Current liabilities payable from restricted assets						
Accrued bond interest	25,227	-	-	-	25,227	17,368
Customer deposits	2,067,326	-	-	25,406	2,092,732	2,109,582
Current portion of net OPEB liability	133,246	30,923	11,900	-	176,069	164,411
Current portion of long-term liabilities	1,146,477	58,587	9,115	-	1,214,179	1,103,906
Total current liabilities	5,718,106	905,418	58,532	62,107	6,744,163	5,448,891
Net pension liability	3,423,779	958,286	291,517	-	4,673,582	5,543,434
Net OPEB liability, net of current portion	2,531,668	587,532	226,101	-	3,345,301	3,123,812
Long-term liabilities, net of current portion	5,733,631	71,347	11,101	-	5,816,079	4,647,233
Total long-term liabilities	11,689,078	1,617,165	528,719	-	13,834,962	13,314,479
Total liabilities	17,407,184	2,522,583	587,251	62,107	20,579,125	18,763,370
Deferred Inflows of Resources						
Lease related	2,241	-	-	56,632	58,873	186,359
Deferred pension inflows	86,276	24,147	7,346	-	117,769	25,903
Deferred OPEB inflows	421,305	97,773	37,627	-	556,705	724,404
Total deferred inflows of resources	509,822	121,920	44,973	56,632	733,347	936,666
Net Position						
Net investment in capital assets	45,063,897	365,972	6,023,159	-	51,453,028	46,021,443
Unrestricted	25,050,366	(200,811)	640,179	420,620	25,910,354	19,738,653
Total net position	$ 70,114,263	$ 165,161	$ 6,663,338	$ 420,620	77,363,382	$ 65,760,096
Adjustment to net position to reflect the consolidation of internal service fund activities related to enterprise funds					(2,373,502)	
Net position of business-type activities					$ 74,989,880	

Governmental Activities- Internal Service Funds Totals	
2024	2023
$ 7,973,827	$ 3,382,583
7,016,290	11,885,436
-	-
-	-
72,751	71,011
467,404	46,342
-	-
165,000	165,000
-	-
-	-
15,695,272	15,550,372
-	243,073
15,979,234	15,462,924
(12,523,450)	(12,468,399)
3,455,784	3,237,598
19,151,056	18,787,970
273,076	426,308
135,874	137,250
-	-
408,950	563,558
19,560,006	19,351,528
$ 875,309	$ 597,618
-	-
-	-
-	-
-	-
26,145	24,414
114,369	135,963
1,015,823	757,995
781,514	926,971
496,761	463,871
147,977	258,168
1,426,252	1,649,010
2,442,075	2,407,005
-	-
19,694	4,332
82,669	107,570
102,363	111,902
3,262,833	2,943,802
13,752,735	13,888,819
$ 17,015,568	$ 16,832,621

City of Hurst, Texas
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2024 with Summarized Totals for Year Ended September 30, 2023

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Nonmajor Enterprise Funds	2024	2023
Operating Revenues						
Water and sewer services	$ 23,637,767	$ -	$ -	$ -	$ 23,637,767	$ 23,500,311
Storm drainage utility fee	-	-	1,105,097	-	1,105,097	1,091,057
Service fees	34,871	3,660,921	-	32,280	3,728,072	3,596,871
Other	386,717	-	516	119,092	506,325	749,846
Total operating revenues	24,059,355	3,660,921	1,105,613	151,372	28,977,261	28,938,085
Operating Expenses						
Personnel services	5,273,060	1,735,654	449,563	-	7,458,277	7,530,038
Contractual services	10,045,634	-	-	-	10,045,634	8,816,659
Repairs and maintenance	552,391	150,981	194,004	-	897,376	831,753
Materials and supplies	119,265	82,981	3,479	-	205,725	258,715
Depreciation and amortization	1,978,817	80,162	261,628	-	2,320,607	1,969,997
Indirect cost/street rental fees	3,998,498	-	113,906	-	4,112,404	4,015,026
Miscellaneous	1,123,726	1,618,864	185,897	226,232	3,154,719	3,388,919
Total operating expenses	23,091,391	3,668,642	1,208,477	226,232	28,194,742	26,811,107
Operating Income (Loss)	967,964	(7,721)	(102,864)	(74,860)	782,519	2,126,978
Nonoperating Revenues (Expenses)						
Investment earnings (loss)	1,350,272	-	48,497	5,463	1,404,232	860,026
Interest expense	(182,532)	-	-	-	(182,532)	(166,240)
Gain (loss) on sale of property and equipment	412,562	-	-	-	412,562	-
Total nonoperating revenues (expenses)	1,580,302	-	48,497	5,463	1,634,262	693,786
Income (Loss) Before Contributions and Transfers	2,548,266	(7,721)	(54,367)	(69,397)	2,416,781	2,820,764
Transfers in	7,098,092	444,543	7,190	-	7,549,825	471,562
Transfers out	(266,338)	-	-	-	(266,338)	(324,812)
Capital Contributions	1,140,673	-	762,345	-	1,903,018	400,058
Change in Net Position	10,520,693	436,822	715,168	(69,397)	11,603,286	3,367,572
Net Position (Deficit), Beginning of Year	59,593,570	(271,661)	5,948,170	490,017	65,760,096	62,392,524
Net Position (Deficit), End of Year	$ 70,114,263	$ 165,161	$ 6,663,338	$ 420,620	$ 77,363,382	$ 65,760,096
Adjustment to change in net position to reflect the consolidation of internal service fund activities related to enterprise funds					(929)	
Change in Net Position of Business-type Activities					$ 11,602,357	

Governmental Activities- Internal Service Funds	
2024	**2023**
$ -	$ -
-	-
13,031,595	11,554,440
277,618	1,147,670
13,309,213	12,702,110
10,807,370	9,524,841
368,825	144,806
901,395	674,573
961,569	1,337,772
1,117,995	970,367
245,000	-
245,160	39,392
14,647,314	12,691,751
(1,338,101)	10,359
707,546	354,290
-	-
(13,253)	-
694,293	354,290
(643,808)	364,649
826,755	1,180,576
-	-
-	-
182,947	1,545,225
16,832,621	15,287,396
$ 17,015,568	$ 16,832,621

City of Hurst, Texas
Proprietary Funds
Statement of Cash Flows
For the Year Ended September 30, 2024 with Summarized Totals for Year Ended September 30, 2023

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Nonmajor Enterprise Funds	2024	2023
Cash Flows from Operating Activities						
Receipts from customers and users	$ 24,077,181	$ 3,520,429	$ 1,107,307	$ 160,054	$ 28,864,971	$ 28,761,735
Receipts from interfund services provided	-	-	-	-	-	-
Payments to suppliers	(11,645,934)	(1,841,930)	(440,407)	(189,531)	(14,117,802)	(14,813,275)
Payments on behalf of employees	(5,027,092)	(1,693,133)	(359,849)	-	(7,080,074)	(6,821,460)
Payments for interfund services used	(3,999,498)	-	(113,906)	-	(4,113,404)	(4,015,026)
Net cash provided by (used) for operating activities	3,404,657	(14,634)	193,145	(29,477)	3,553,691	3,111,974
Cash Flows from Noncapital Financing Activities						
Transfers to other funds	(266,338)	-	-	-	(266,338)	-
Transfers from other funds	136,777	444,543	7,190	-	588,510	146,750
Net cash provided by (used in) noncapital financing activities	(129,561)	444,543	7,190	-	322,172	146,750
Cash Flows from Capital and Related Financing Activities						
Proceeds from long-term debt	2,036,333	-	-	-	2,036,333	-
Debt principal payments	(815,000)	-	-	-	(815,000)	(950,000)
Subscription liability payments	-	-	-	-	-	-
Interest paid on revenue bonds	(142,628)	-	-	-	(142,628)	(49,167)
Payment of debt issuance cost	(34,355)	-	-	-	(34,355)	-
Purchases of property and equipment	(5,191,308)	(12,844)	(325,744)	-	(5,529,896)	(2,053,447)
Purchases of subscription assets	-	-	-	-	-	-
Transfer from other funds for capital purposes	6,961,315				6,961,315	
Proceeds from sale of property and equipment	415,054	-	-	-	415,054	-
Net cash provided by (used in) capital and related financing activities	3,229,411	(12,844)	(325,744)	-	2,890,823	(3,052,614)
Cash Flows from Investing Activities						
Proceeds from sale/maturities of investments	22,457,166	-	892,396	-	23,349,562	19,666,091
Purchase of investments	(16,259,020)	-	(200,000)	-	(16,459,020)	(22,024,768)
Interest on investments, net	1,350,272	-	46,548	5,463	1,402,283	841,727
Net cash provided by (used in) investing activities	7,548,418	-	738,944	5,463	8,292,825	(1,516,950)
Net increase (decrease) in cash and cash equivalents	14,052,925	417,065	613,535	(24,014)	15,059,511	(1,310,840)
Cash and Cash Equivalents, Beginning of Year	1,662,385	1,097,626	50,303	497,855	3,308,169	4,619,009
Cash and Cash Equivalents, End of Year	$ 15,715,310	$ 1,514,691	$ 663,838	$ 473,841	$ 18,367,680	$ 3,308,169
Noncash Investing, Capital and Financing Activities						
Contributions of capital assets	$ 1,140,673	$ -	$ 762,345	$ -	$ 1,903,018	$ 400,058
Capital assets in accounts payable	1,055,093	324,812	-	-	1,379,905	-
	2,195,766	324,812	762,345	-	3,282,923	400,058
Reconciliation to Statement of Net Position						
Cash and cash equivalents	13,687,636	1,514,691	663,838	473,841	16,340,006	3,146,100
Restricted cash and cash equivalents	2,027,674	-	-	-	2,027,674	162,069
	$ 15,715,310	$ 1,514,691	$ 663,838	$ 473,841	$ 18,367,680	$ 3,308,169

Governmental Activities- Internal Service Funds	
2024	**2023**
$ 532,698	$ 1,134,025
12,432,137	11,554,440
(10,539,659)	(2,077,864)
(2,710,416)	(9,369,528)
-	-
(285,240)	1,241,073
-	-
1,180,576	1,180,576
1,180,576	1,180,576
-	-
-	-
(100,845)	(155,347)
-	-
-	-
(1,374,542)	(539,574)
-	(701,055)
25,108	-
(1,450,279)	(1,395,976)
9,242,123	7,817,459
(6,391,552)	(7,636,359)
630,862	344,968
3,481,433	526,068
2,926,490	1,551,741
3,382,583	1,830,842
$ 7,973,827	$ 3,382,583
$ -	$ -
-	-
-	-
7,973,827	3,382,583
-	-
$ 7,973,827	$ 3,382,583

City of Hurst, Texas
Proprietary Funds
Statement of Cash Flows (Continued)
For the Year Ended September 30, 2024 with Summarized Totals for Year Ended September 30, 2023

	Business-type Activities				Totals	
	Water & Sewer	Conference & Meeting Center Fund	Stormwater Fund	Non-major Enterprise Funds	2024	2023
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities						
Operating income (loss)	$ 967,964	$ (7,721)	$ (102,864)	$ (74,860)	$ 782,519	$ 2,126,978
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	1,978,817	80,162	261,628	-	2,320,607	1,969,994
Change in assets and deferred outflows						
Accounts receivable	34,676	18,145	1,694	-	54,515	(585,759)
Lease receivable	13,950	-	-	122,720	136,670	226,344
Other	-	-	-	36,701	36,701	12,788
Inventory of materials and supplies	(7,602)	(2,942)	-	-	(10,544)	105,530
Due to/from other funds	-	-	-	-	-	(114,392)
Prepaids and other assets	4,800	(25,454)			(20,654)	(25,108)
Deferred pension outflows	750,110	209,949	63,867	-	1,023,926	(2,007,526)
Deferred OPEB outflows	7,013	1,626	626	-	9,265	(34,583)
Change in liabilities and deferred inflows						
Accounts payable and other	197,248	37,421	23,531	-	258,200	(1,488,231)
Customer deposits and unearned revenue	(16,850)	(167,662)	-	-	(184,512)	407,359
Compensated absences	87,187	11,923	(4,524)		94,586	-
Net pension liability	(637,237)	(178,357)	(54,258)	-	(869,852)	4,337,603
Net OPEB liability	176,441	40,948	15,758	-	233,147	(21,646)
Deferrred inflows - lease related	(13,448)	-	-	(114,038)	(127,486)	(222,288)
Deferred pension inflows	(11,500)	(3,219)	(979)	-	(15,698)	(1,765,305)
Deferred OPEB inflows	(126,912)	(29,453)	(11,334)	-	(167,699)	190,216
Net cash provided by (used in) operating activities	$ 3,404,657	$ (14,634)	$ 193,145	$ (29,477)	$ 3,553,691	$ 3,111,974

Governmental Activities Internal Service Funds	
2024	**2023**
$ (1,338,101)	$ 10,359
1,117,995	970,367
(344,378)	(13,645)
-	-
-	-
(1,740)	(6,454)
-	-
-	-
171,219	(335,698)
1,376	(5,135)
277,691	166,109
-	-
(30,940)	-
(145,457)	725,332
34,621	(3,213)
-	-
(2,625)	(295,193)
(24,901)	28,244
$ (285,240)	$ 1,241,073

City of Hurst, Texas
Fiduciary Fund
Statement of Fiduciary Net Position
September 30, 2024 with Summarized
Totals for September 30, 2023

	OPEB Trust	
	December 31, 2023	December 31, 2022
Assets		
Investments		
Mutual funds - equity	$ 7,401,247	$ 3,775,164
Mutual funds - fixed income	-	2,623,419
Total assets	$ 7,401,247	$ 6,398,583
Net Position		
Restricted for other postemployment benefits	$ 7,401,247	$ 6,398,583
Total net position	$ 7,401,247	$ 6,398,583

City of Hurst, Texas
Fiduciary Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2024 with Summarized
Totals for Year Ended September 30, 2023

	OPEB Trust	
	December 31, 2023	**December 31, 2022**
Additions		
Contributions		
Employer	$ 1,055,503	$ 1,096,120
Investment income (loss)	1,002,664	(1,173,762)
Total additions (reductions)	2,058,167	(77,642)
Deductions		
Benefit payments	1,038,662	1,079,147
Administrative expenses	16,841	16,973
Total deductions	1,055,503	1,096,120
Change in net position	1,002,664	(1,173,762)
Net Position, Beginning of Year	6,398,583	7,572,345
Net Position, Ending of Year	$ 7,401,247	$ 6,398,583

CITY OF HURST
TEXAS

Note 1. Summary of Significant Accounting Policies

The City of Hurst, Texas (City) Home Rule Charter was adopted December 19, 1956, pursuant to Resolution No. 100, adopted November 13, 1956. The City operates under a Council-Manager form of government and provides the following services by its charter: public safety, public works, health, culture, recreation, community development, and water and sewer utilities.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. Management uses estimates and assumptions in preparing financial statements in accordance with GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues, expenditures, and expenses. Actual results could vary from the estimates that are used. Significant City policies are described below.

Reporting Entity

These financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, in substance, are part of the City's operations.

The Hurst Community Services Development Corporation (HCDC) was incorporated in 1993 under the provisions of the *Development Corporation Act of 1979*, Article 5190.6, Texas Revised Civil Statutes Annotated, as amended. HCDC operates under a seven-member Board of Directors appointed by the City Council. The purpose of HCDC is to promote and finance projects required or suitable for athletic, entertainment, tourist, conventions, public parks, and related purposes. The Board of Directors of HCDC is substantially the same as the City Council and the City will ultimately bear the benefit or burden. HCDC has been incorporated into these basic financial statements as a blended component unit, reported as the HCDC Fund. Separate financial statements for HCDC are not released.

The Hurst Crime Control and Prevention District (HCCPD) was authorized by voter referendum on September 9, 1995, for five years under the provisions of the *Crime Control and Prevention District Act*, Article 2370c-4, Section 3.01, Vernon Civil Statutes, as amended. The district was renewed by voter referendum on August 12, 2000, for ten years and again on May 8, 2010, for twenty years. The HCCPD operates under a seven-member Board of Directors appointed by the City Council. The purpose of the HCCPD is to provide relief to the General Fund for expanded crime prevention and enforcement activities. The Board of Directors of the HCCPD is substantially the same as the City Council and the City will ultimately bear the benefit or burden. The HCCPD has been incorporated into these basic financial statements as a blended component unit, reported as the Anti-crime Fund. Separate financial statements for HCCPD are not released.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. These financial statements include the financial activities of the overall government except the fiduciary fund. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Certain eliminations have been made as prescribed by GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* (GASB 34) in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program, or department, and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

Net position should be reported as restricted when constraints placed on asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue funds and the restrictions on their asset use. Separate financial statements are provided for governmental funds, proprietary funds, internal service funds, and fiduciary fund. Major individual governmental funds and the major enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

Fund financial statements report detailed information about the City. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues susceptible to accrual as available if they are collected within 60 days after year-end.

Those revenues susceptible to accrual are property taxes, sales taxes, franchise taxes, fines, interest, and charges for services. Licenses and permits are not susceptible to accrual because generally they are not measurable until received in cash.

The major governmental funds are:

General Fund: The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to another fund are accounted for in this fund. General operating and capital expenditures not paid through other funds are paid from the General Fund.

HCDC Fund: To account for the sales and use tax levied by the City on behalf of HCDC.

Anti-crime Fund: To account for the sales and use tax levied by the City on behalf of HCCPD.

Special Projects Fund: To account for the purchase or construction of building improvements, computer equipment, and office machinery and equipment. Financing is provided primarily by transfers from the General Fund.

Internal Service Funds

The internal service funds account for the financing of goods or services provided by one department to other departments of the City on a user charge basis.

Fleet Service Fund: To account for the acquisition and financing of replacement vehicles of the General Fund and the repair and maintenance of vehicles. Operations are financed by charges to the user departments based on vehicle usage.

The Loss Reserve Fund: To account for the City's partially self-insured health care program. The program is financed by charges to user departments based on the number of covered employees and dependents.

Information Services Fund: To account for the personnel and operating costs of information services and the replacement cost of all computer related equipment. Operations are financed by charges to user departments on a cost-reimbursement basis.

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Enterprise Fund, Conference and Meeting Center Fund, and Stormwater Fund are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The major proprietary funds are:

Water and Sewer Enterprise Fund: To account for providing water and sewer to residential and commercial users and is accounted for using the accrual basis of accounting. This fund accounts for operations that are primarily financed by user charges. The economic resource focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Unbilled utility service receivables are recorded at each year-end.

Conference and Meeting Center Fund: To account for the operations of the City's conference and meeting center. Fees are charged for use of the center. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

Stormwater Fund: to account for revenues received from a fee charged for the development of the City's storm sewer drainage system. This fund is designated as a major fund.

Fiduciary Fund

The other postemployment benefit (OPEB) trust fund is used to report assets held for beneficiaries to fund future postemployment benefits other than pensions. The City utilizes a trust to hold required contributions for OPEBs. Plan trustees must act in accordance with the specific purposes and terms of the OPEB plan. The accompanying statement of fiduciary net position and statement of changes in fiduciary net position are presented as of and for the year ended December 31, 2022, the Plan's year-end, in accordance with GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB 74).

Cash and Cash Equivalents

For purposes of reporting cash flows, the City considers cash and investments with an initial maturity of less than three months as cash and cash equivalents.

Accounts Receivable

Accounts receivable consist primarily of amounts due from citizens for various services provided by the City as well as property taxes and sales taxes receivable. Management evaluates the adequacy of the allowance for doubtful accounts based on a review of the aging of accounts and other specific information known by management.

Investments

Certificates of deposit are stated at cost with interest accrued as earned for government-wide presentation. Investments in external investment pools are carried at either net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the City's fiscal year end. In instances where pools transact at amortized cost, no readily determinable fair value is deemed available.

Inventories and Prepaid Items

Inventories in the general and proprietary fund types are carried at cost (first-in, first-out method).

Prepaid items are payments made by the City in the current year to provide services occurring in the subsequent fiscal year. A corresponding portion of fund balance is shown as nonexpendable in governmental funds to indicate it is not available for other subsequent expenditures. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure such as roads, bridges, drainage systems, and lighting systems are reported at historical cost. Donated capital assets, donated works of art and similar items are reported at acquisition value on the date donated. The minimum capitalization threshold is any item with a total cost greater than $5,000 and a life greater than one year.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Assets	
Buildings	10 – 40 Years
Furniture & Fixtures	4 – 10 Years
Improvements OTB	5 – 40 Years
Machinery & Equipment	2 – 30 Years
Streets	15 – 30 Years
Vehicles	2 – 15 Years
Water System	4 – 50 Years
Sewer System	5 – 50 Years
Stormwater System	4 – 40 Years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Lease Receivable

The City is a lessor for various noncancellable leases of its water towers and building space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines: (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the lessee's rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses its incremental borrowing rate as the discount rate.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Compensated Absences

Vested vacation leave (unpaid to employees terminated before year-end) that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. The long-term portion of compensated absences for governmental funds is reflected in the statement of net position. Vested or accumulated vacation leave within proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvested accumulating rights to receive sick pay benefits.

Lease Liability

The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the City measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life for lease term, whichever is shorter.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital, leased, and subscription assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Defined Benefit Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Information regarding the City's total pension liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68).

Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability.

Defined Benefit Other Postemployment Benefit Plan

The City has a single employer defined benefit other postemployment (benefit) OPEB plan (Plan). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability.

Interfund Transactions

During the course of normal operations, the City has transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. There is no interest charged between funds for these advances.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable fund balance, is employed by the City. Encumbrances are reported as reservations of fund balances because they do not constitute expenditures or liabilities. The City allows encumbrances to lapse leaving no reservation of fund balance at September 30, 2024.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred loss on refunding – A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and recognized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and reported as a reduction in net pension liability or increase in net pension asset in the year subsequent to their deferral.
- OPEB benefit and premium payments after measurement date – These benefit payments are deferred and reported as a reduction in total OPEB liability in the year subsequent to their deferral.
- Experience difference – Pensions and OPEB –These amounts represent the differences between expected and actual pension and OPEB experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Assumption changes – OPEB –These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.

- Investment difference – Pensions and OPEB – These amounts represent the difference in projected and actual earnings on pension and OPEB plan assets. These differences are deferred and amortized over a closed five-year period.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has the following items that qualify for reporting in this category:

- Deferred gain on refunding – A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and recognized over the shorter of the life of the refunded or refunding debt.
- Unavailable revenue – This amount represents uncollected property taxes, ambulance, and municipal court fees. This amount is deferred and recognized once payments are received in the following fiscal year. This deferred inflow is recorded only at the fund level.
- Experience difference – Pensions and OPEB – These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Assumption changes – Pension and OPEB –These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.
- Leases – Represents the initial value of the lease receivable under GASB 87 systematically reduced and recognized as lease revenue over the term of the lease. This deferred inflow is recorded at both the fund level and government-wide financial statements.

Unearned Revenue

The funds report a liability, unearned revenue, in connection with resources that have been received, but not yet earned, which consists primarily of Conference & Meeting Center fees collected in advance for future meetings and events.

Minimum Fund Balance

City management must institute a plan to achieve and maintain an unassigned fund balance in the general fund equal to no less than 90 days of operating expenditures. The City considers a balance of less than 90 days of operating expenditures to be cause for concern, barring unusual or deliberate circumstances. If unassigned fund balance falls below the goal or has a deficiency, the City will enact its fiscal management plan. The fiscal management plan provides specific language to guide expenditure reduction and/or revenue enhancement actions.

Fund Balance Classifications and Uses

Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned in governmental funds. Nonspendable fund balance cannot be spent, either because it is not in spendable form or because of legal or contractual requirements. Restricted fund balances have constraints for specific purposes which are externally imposed by providers, such as creditors, grantors, or other governments; or by enabling legislation of the City Council. Committed fund balances can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City management based on Council direction. Unassigned fund balances include residual positive fund balances within the General Fund that had not been classified within the other mentioned categories. Unassigned fund balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance) are available for specified expenditures, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unassigned fund balance. Further, when the components of unassigned fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

A description of the purposes of the restricted, committed, and assigned governmental fund balances at September 30, 2024 and 2023, follows:

	2023						2023
	General Fund	HCDC	Anti-Crime	Special Projects	Nonmajor Governmental Funds	Total Governmental Funds	Total Governmental Funds
Nonspendable	$ 22,683	$ -	$ -	$ -	$ -	$ 22,683	$ 27,883
Restricted for							
Capital projects	-	-	-	-	3,199,417	3,199,417	2,737,314
Community development	23,642	8,230,014	-	-	-	8,253,656	7,788,120
Public safety	1,739,501	-	10,257,641	-	-	11,997,142	11,664,322
Debt service	-	-	-	-	1,212,345	1,212,345	1,155,936
Municipal court	452,990	-	-	-	-	452,990	452,041
Parks	611,002	-	-	-	-	611,002	511,954
Traffic safety	76,136	-	-	-	-	76,136	302,297
Tourism, convention center, arts	3,125,242	-	-	-	-	3,125,242	2,551,662
Urban transit	4,160,027	-	-	-	-	4,160,027	3,423,793
Other	236,775	-	-	-	-	236,775	198,173
Assigned							
Capital and special projects	-	-	-	25,299,084	-	25,299,084	21,520,579
Other	22,907	-	-	-	-	22,907	22,907
Unassigned	10,827,343	-	-	-	(113,147)	10,714,196	21,654,580
Total fund balance	$ 21,298,248	$ 8,230,014	$ 10,257,641	$ 25,299,084	$ 4,298,615	$ 69,383,602	$ 74,011,561

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital, lease, and subscription assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets, and adding back unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the City's management to make estimates and assumptions that affect reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results may differ from those estimates.

Prior-Year Comparative Information

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's basic financial statements for the year ended September 30, 2023.

Adoption of New Accounting Standard

The City has adopted and implemented the following statement during fiscal year ended September 30, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections*—and amendment of GASB Statement No. 62 – This statement improves the clarity and requirements for accounting changes and error corrections. The adoption had no effect on the City.

Future Adoption of Accounting Principles

The GASB has issued the following potentially significant statements which the City has not yet adopted, and which require adoption subsequent to September 30, 2024. The City will evaluate the potential impact on the City's net position.

Statement No.	Title	Adoption Required
101	*Compensated Absences*	June 30, 2025
102	*Certain Risk Disclosures*	June 30, 2025
103	*Financial Reporting Model Improvements*	June 30, 2026
104	*Disclosure of Certain Capital Assets*	June 30, 2026

Note 2. Deposits and Investments

The City's deposit and investment policies are governed by State statutes and the adopted City Investment Policy. City policies governing bank deposits require depositories to be FDIC-insured institutions and depositories must fully collateralize all deposits in excess of FDIC insurance limits. At September 30, 2024, the City's deposits were entirely insured or collateralized with securities held by the pledging financial institution's trust department or agent in the City's name; as a result, the City's deposits were not exposed to custodial credit risk.

	September 30, 2024
Primary Government	
Cash and cash equivalents:	
Cash deposits	$ 8,194,169
Investments Pools:	
TexSTAR	15,522,006
Texas Class	8,611,953
TexPool	11,852,970
Total investment pools	35,986,929
Total cash and cash equivalents	44,181,098
Investments:	
U.S Treasury Securities	27,064,209
U.S. Agency Securities	16,934,425
Certificates of deposit	29,000,000
Total investments	72,998,634
Total cash, cash equivalents and investments of the primary government	$ 117,179,732
Fiduciary Fund	
OPEB Trust	7,401,247
Total cash, cash equivalents, and investments of the reporting entity	$ 124,580,979

External Investment Pools: The City's pool investments as of September 30, 2024, were invested in TexPool, TexSTAR (Texas Short Term Asset Reserve program) and Texas CLASS.

Each pool's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pools are to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. Pools offer same day access to investment funds.

Federated Investors is the full-service provider for the TexPool program. As the provider, the responsibilities include managing the assets, providing participant services, and arranging for all custody and other functions in support of the operations under a contract with the State Comptroller of Public Accounts. JPMorgan Investment Management (JPMIM) and Hilltop Securities, Inc. (HSAM) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors. JPMIM serves as an investment advisor to TexSTAR, while HSAM provides administrative participant support and marketing services.

TexSTAR, TexPool and Texas CLASS are not registered with the Securities and Exchange Commission (SEC) as investment companies. TexSTAR, TexPool and Texas CLASS are investment pools that have been organized in conformity with the Chapters 791, the *Interlocal Cooperation Act*, and 2256, the *Public Funds Investment Act*, of the Texas Government Code.

Investments in TexPool are carried at amortized cost, while TexSTAR and Texas CLASS are carried at net asset value.

Investments: The City's investments, excluding OPEB trust fund investments discussed on the following page, are registered or held by the City or its agent in the City's name at September 30, 2024, and are as follows:

	Value	Weighted Average (Years)
Certificates of deposit	$ 29,000,000	0.38
Investment pools	35,986,929	1.87
U.S. Treasury Obligations	27,064,209	0.25
Federal Agency Securities	16,934,425	0.36
Portfolio weighted average maturity	$ 108,985,563	0.72

Interest Rate Risk: In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk: Statutes authorize the City to invest in obligations of the United States of America, its agencies, and instrumentalities, in obligations of the State of Texas and related agencies, in obligations of states, agencies, counties, cities and other political subdivisions of any state rated "A" or above by Standard & Poor's or Moody's, repurchase agreements and designated investment pools. The City's investment in TexPool, Texas Class and TexSTAR are all rated AAA by Standard & Poor's.

Custodial Credit Risk: The City invests in certificates of deposit at a bank with initial maturities greater than three months. These certificates of deposit are collateralized by securities held in the City's name by pledging financial institutions.

OPEB Trust Fund Investments: The City has contracted with Public Agency Retirement Services (PARS) for trust administration and Union Bank serves as the trustee for all investments of the OPEB Trust Fund. The OPEB Trust Fund investments are carried at fair value of $7,401,247 as of December 31, 2023. The investment in master trust is classified in Level 3 of the fair value hierarchy using quoted market prices of the mutual funds owned by the trust, allocated among members. The Trust's funds are invested in equity and fixed income mutual funds. The investment strategy of the OPEB Trust Fund is to provide current income with capital appreciation. The credit rating and weighted average maturity is not available for the pool. PARS provides its participants a range of investment strategies, and the City has selected the PARS Balanced HighMark Plus Portfolio. The goal of the Plan's investment program is to generate adequate long-term returns that, when combined with contributions, will result in sufficient assets to pay present and future obligations to the Plan. The Balanced Portfolio's goal is to provide growth of both principal and income. The OPEB Plan does not have a formal policy for custodial credit risk. As of December 31, 2023, all investments are registered in the name of the OPEB Plan's custodian established through a master trust custodial agreement.

Fair Value of Assets: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2024:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
Investments by Fair Value Level				
U.S. Treasury Securities	$ 27,064,209	$ 18,014,023	$ 9,050,181	$ -
U.S. Agency Securities	16,934,425	7,900,370	9,034,055	-
Investment in Master Trust	7,401,247	-	-	7,401,247
Total investments by fair value level	51,399,881	$ 25,914,393	$ 18,084,236	$ 7,401,247
Investments measured at Net Asset Value - TexSTAR	15,522,006			
Investments measured at Net Asset Value - Texas Class	8,611,953			
Investment measured at Amortized Cost - TexPool	11,852,970			
Non-negotiable Certificates of Deposit	29,000,000			
Total investments	$ 116,386,810			

Certain investments that are measured using the net asset value per share (or its equivalent) or amortized cost have not been classified in the fair value hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Note 3. Property Tax

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and certain personal property located in the City. The total assessed value upon which the fiscal 2024 levy is based is approximately $4,878,649,000. Such assessed value is computed based on 100% appraised values.

General property taxes are limited by the Texas Constitution to $2.50 per $100 of assessed valuation and by the City's Home Rule Charter to $1.50 per $100 of assessed valuation. The combined tax rate to finance general governmental service and debt service for the year ended September 30, 2024, is $0.5811500 per $100 of assessed valuation.

Property taxes attach as an enforceable lien on property as of January 1 following the levy date. Taxes are due by January 31 following the levy date. Current tax collections for the year ended September 30, 2024, are approximately 99% of the tax levy.

Note 4. Net Receivables

Net receivables consist of the following at September 30, 2024 and 2023:

	2024	2023
Governmental Activities		
Taxes receivable	$ 4,137,321	$ 4,296,462
Charges to users	2,574,569	2,344,059
Interest	1,137,540	550,879
Other	1,893,868	1,294,521
Total governmental activities net receivables	9,743,298	8,485,921
Business-type Activities		
Charges to users	3,696,321	3,764,515
Interest	347,152	233,638
Other	65,722	164,066
Total business-type activities net receivables	4,109,195	4,162,219
Total net receivables	$ 13,852,493	$ 12,648,140

The applicable allowance for doubtful accounts at September 30, 2024, included in the net receivables above is as follows:

$660,267 for taxes receivable in the general fund and $2,022,900 for other receivables in the general fund, which consists of court and ambulance billing, $114,018 for taxes receivable in the debt service fund, and $47,865 for charges to users in the water and sewer fund.

Note 5. Lease Receivable

The City leases a portion of its property to various companies who use the space to conduct their operations, the terms of which expire 2025 through 2044. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

The City recognized $144,191 in lease revenue and $12,123 in interest revenue during the current fiscal year related to this lease. As of September 30, 2024, the City's receivable for lease payments was $208,864. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of September 30, 2024, the balance of the deferred inflow of resources was $188,539.

The following is a schedule by year of minimum payments to be received under the City's leases that are included in the measurement of the lease receivable as of September 30, 2024:

Year Ending	Governmental Activities		
September 30,	Principal	Interest	Total
2025	$ 17,363	$ 5,944	$ 23,307
2026	14,292	5,149	19,441
2027	4,155	4,829	8,984
2028	4,346	4,638	8,984
2029	4,546	4,437	8,983
2030-2034	26,060	18,842	44,902
2035-2039	32,622	10,848	43,470
2040-2044	37,820	5,446	43,266
Total	$ 141,204	$ 60,133	$ 201,337

Year Ending	Business-Type Activities		
September 30,	Principal	Interest	Total
2025	$ 43,665	$ 1,651	$ 45,316
2026	20,489	584	21,073
2027	3,506	7	3,513
Total	$ 67,660	$ 2,242	$ 69,902

Note 6. Capital, Lease, and Subscription Assets

A summary of changes in governmental activities capital, lease, and subscription assets is as follows:

	Balance October 1, 2023	Additions	Disposals/ Reclassifications	Transfers	Balance September 30, 2024
Capital Assets Not Being Depreciated					
Land	$ 63,995,754	$ 57,246	$ -	$ 176,637	$ 64,229,637
Construction in progress	4,624,705	8,307,338	-	(592,144)	12,339,899
Total capital assets not being depreciated	68,620,459	8,364,584	-	(415,507)	76,569,536
Capital, Lease, and Subscription Assets Being Depreciated/Amortized					
Buildings and improvements	104,390,033	232,537	-	29,394	104,651,964
Improvements other than buildings	166,963,697	1,246,034	-	386,113	168,595,844
Machinery and equipment	35,950,472	1,374,066	(1,304,556)	-	36,019,982
Leased equipment	167,487	1,531,370	-	-	1,698,857
Subscription assets	2,397,750	-	(54,264)	-	2,343,486
Total depreciable	309,869,439	4,384,007	(1,358,820)	415,507	313,310,133
Less Accumulated Depreciation/Amortization for					
Buildings and improvements	(54,286,439)	(3,699,822)	-	(937,472)	(58,923,733)
Improvements other than buildings	(141,927,211)	(3,066,184)	-	846,190	(144,147,205)
Machinery and equipment	(31,059,221)	(1,524,379)	1,257,509	91,282	(31,234,809)
Leased equipment	(25,123)	(71,782)	-	-	(96,905)
Subscription assets	(545,120)	(558,445)	54,264	-	(1,049,301)
Total accumulated depreciation/amortization	(227,843,114)	(8,920,612)	1,311,773	-	(235,451,953)
Total depreciable - net	82,026,325	(4,536,605)	(47,047)	415,507	77,858,180
Governmental activities capital, lease, and subscription assets, net	$ 150,646,784	$ 3,827,979	$ (47,047)	$ -	$ 154,427,716

	Balance October 1, 2022 *	Additions	Disposals/ Reclassifications	Transfers	Balance September 30, 2023
Capital Assets Not Being Depreciated					
Land	$ 63,277,570	$ -	$ -	$ 718,184	$ 63,995,754
Construction in progress	12,339,927	4,491,105	-	(12,206,327)	4,624,705
	75,617,497	4,491,105	-	(11,488,143)	68,620,459
Capital Assets Being Depreciated					
Buildings and improvements	95,796,282	-	-	8,593,751	104,390,033
Improvements other than buildings	165,403,604	226,526	-	1,333,567	166,963,697
Machinery and equipment	34,709,515	253,557	-	987,400	35,950,472
Lease equipment	-	167,487	-	-	167,487
Subscription assets	758,122	1,066,203	-	573,425	2,397,750
Total depreciable	296,667,523	1,713,773	-	11,488,143	309,869,439
Less Accumulated Depreciation for					
Buildings and improvements	(50,438,435)	(3,848,004)	-	-	(54,286,439)
Improvements other than buildings	(138,751,867)	(3,175,344)	-	-	(141,927,211)
Machinery and equipment	(29,268,987)	(1,790,234)	-	-	(31,059,221)
Lease equipment		(25,123)	-	-	(25,123)
Subscription assets		(545,120)	-	-	(545,120)
Total accumulated depreciation/amortization	(218,459,289)	(9,383,825)	-	-	(227,843,114)
Total depreciable - net	78,208,234	(7,670,052)	-	11,488,143	82,026,325
Governmental activities capital assets, net	$ 153,825,731	$ (3,178,947)	$ -	$ -	$ 150,646,784

* Beginning fiscal year 2022 amounts have been restated for GASB 96, *Subscriptions-Based Information Technology Arrangements*

Depreciation/amortization is charged to functions as follows:

	2024	2023
Governmental Activities		
General government	$ 1,597,194	$ 1,556,197
Public safety	1,902,692	2,604,651
Culture and recreation	2,357,845	2,320,974
Public works	1,944,886	1,931,636
Fleet	453,268	334,519
Information services	664,727	635,848
Total governmental activities depreciation and amortization expense	$ 8,920,612	$ 9,383,825

Depreciation/amortization on capital, lease, and subscription assets held by the City's Internal Service Funds, which are predominantly related to governmental activities, is charged to various functions based on their usage of the assets and included in the amounts above.

Construction in progress consists of the following at September 30, 2024:

	Project Authorization	Expended Through September 30, 2024	Committed September 30, 2024
Community Services Improvements	$ 1,427,238	$ 986,096	$ 441,142
Street Improvements	9,659,243	8,356,114	1,303,129
Other	3,883,383	2,997,689	885,694
Total	$ 14,969,864	$ 12,339,899	$ 2,629,965

The "project authorization" and "committed" amounts above are based on City estimates of total project costs.

A summary of changes in business-type capital assets follows:

	Balance October 1, 2023	Additions	Disposals/ Reclassifications	Transfers	Balance September 30, 2024
Capital Assets Not Being Depreciated					
Land	$ 564,612	$ -	$ -	$ -	$ 564,612
Construction in progress	2,039,469	5,985,530	-	(1,963,001)	6,061,998
	2,604,081	5,985,530	-	(1,963,001)	6,626,610
Capital Assets Being Depreciated					
Utility plant in service	89,990,319	2,589,525	-	1,443,366	94,023,210
Buildings and improvements	1,189,725	38,372	-	-	1,228,097
Machinery and equipment	4,291,391	44,509	(865,846)	529,632	3,999,686
Total depreciable	95,471,435	2,672,406	(865,846)	1,972,998	99,250,993
Less Accumulated Depreciation for					
Utility plant in service	(43,030,581)	(2,068,296)	-	205,831	(44,893,046)
Buildings and improvements	(402,403)	(62,218)	-	(277,879)	(742,500)
Machinery and equipment	(3,688,729)	(190,093)	693,425	62,051	(3,123,346)
Total accumulated depreciation	(47,121,713)	(2,320,607)	693,425	(9,997)	(48,758,892)
Total depreciable - net	48,349,722	351,799	(172,421)	1,963,001	50,492,101
Business-type activities capital assets, net	$ 50,953,803	$ 6,337,329	$ (172,421)	$ -	$ 57,118,711

	Balance October 1, 2022	Additions	Disposals/ Reclassifications	Transfers	Balance September 30, 2023
Capital Assets Not Being Depreciated					
Land	$ 564,612	$ -	$ -	$ -	$ 564,612
Construction in progress	2,246,263	1,392,555	-	(1,599,349)	2,039,469
	2,810,875	1,392,555	-	(1,599,349)	2,604,081
Capital Assets Being Depreciated					
Utility plant in service	87,786,466	636,451	-	1,567,402	89,990,319
Buildings and improvements	755,227	424,498	-	10,000	1,189,725
Machinery and equipment	4,269,444	-	-	21,947	4,291,391
Total depreciable	92,811,137	1,060,949	-	1,599,349	95,471,435
Less Accumulated Depreciation for					
Utility plant in service	(41,244,423)	(1,786,158)	-	-	(43,030,581)
Buildings and improvements	(376,022)	(26,381)	-	-	(402,403)
Machinery and equipment	(3,531,274)	(157,455)	-	-	(3,688,729)
Total accumulated depreciation	(45,151,719)	(1,969,994)	-	-	(47,121,713)
Total depreciable - net	47,659,418	(909,045)	-	1,599,349	48,349,722
Business-type activities capital assets, net	$ 50,470,293	$ 483,510	$ -	$ -	$ 50,953,803

Construction in progress consists of the following at September 30, 2024:

	Project Authorization	Expended Through September 30, 2024	Committed September 30, 2024
Water	$ 13,567,063	$ 4,527,841	$ 9,039,222
Sewer	1,622,475	1,389,761	232,714
Other	144,492	144,396	96
Total	$ 15,334,030	$ 6,061,998	$ 9,272,032

Note 7. Long-term Liabilities

The following is a summary of changes in long-term liabilities of the City for the years ended September 30, 2024 and 2023:

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Current Portion
Governmental Activities					
Bonds payable and premiums					
General obligation bonds	$ 31,350,000	$ -	$ (2,480,000)	$ 28,870,000	$ 2,320,000
Certificates of obligation	13,530,000	1,975,000	(830,000)	14,675,000	1,155,000
Loan from Direct Borrowing	335,000	-	(80,000)	255,000	85,000
Tax Notes	180,000	-	(180,000)	-	-
Premium	2,163,627	61,333	(207,983)	2,016,977	209,444
Lease liabilities	130,686	1,341,637	(30,685)	1,441,638	122,092
Subscription liabilities	822,856	-	(233,204)	589,652	220,967
Total long-term debt	48,512,169	3,377,970	(4,041,872)	47,848,267	4,112,503
Compensated absences	7,456,554	3,022,901	(1,717,552)	8,761,903	3,919,422
Governmental Activities Long-term liabilities	$ 55,968,723	$ 6,400,871	$ (5,759,424)	$ 56,610,170	$ 8,031,925

	Balance October 1, 2022 *	Additions	Reductions	Balance September 30, 2023	Current Portion
Governmental Activities					
Bonds payable and premiums					
General obligation bonds	$ 33,970,000	$ -	$ (2,620,000)	$ 31,350,000	$ 2,480,000
Certificates of obligation	14,335,000	-	(805,000)	13,530,000	830,000
Loan from Direct Borrowing	415,000	-	(80,000)	335,000	80,000
Tax Notes	355,000	-	(175,000)	180,000	180,000
Premium	2,373,173	-	(209,546)	2,163,627	207,983
Lease liabilities	-	130,686	-	130,686	30,685
Subscription liabilities	758,122	284,915	(220,181)	822,856	233,204
Total long-term debt payable	52,206,295	415,601	(4,109,727)	48,512,169	4,041,872
Compensated absences	6,070,805	4,167,726	(2,781,977)	7,456,554	3,912,131
Governmental Activities Long-term liabilities	$ 58,277,100	$ 4,583,327	$ (6,891,704)	$ 55,968,723	$ 7,954,003

* Beginning fiscal year 2022 amounts have been restated for GASB 96, *Subscription-Based Information Technology Arrangements*

	Balance October 1, 2023	Additions	Reductions	Balance September 30, 2024	Current Portion
Business-type Activities					
Bonds payable and premiums					
General obligation bonds	$ 3,215,000	$ -	$ (700,000)	$ 2,515,000	$ 735,000
Certificates of obligation	1,810,000	1,975,000	(115,000)	3,670,000	180,000
Premium	245,622	61,333	(36,800)	270,155	39,867
Total bonds payable	5,270,622	2,036,333	(851,800)	6,455,155	954,867
Compensated absences	480,517	555,897	(461,311)	575,103	259,312
Business-type Activities Long-term liabilities	$ 5,751,139	$ 2,592,230	$ (1,313,111)	$ 7,030,258	$ 1,214,179

	Balance October 1, 2022	Additions	Reductions	Balance September 30, 2023	Current Portion
Business-type Activities					
Bonds payable and premiums					
General obligation bonds	$ 4,050,000	$ -	$ (835,000)	$ 3,215,000	$ 700,000
Certificates of obligation	1,925,000	-	(115,000)	1,810,000	115,000
Premium	282,422	-	(36,800)	245,622	36,800
Total bonds payable	6,257,422	-	(986,800)	5,270,622	851,800
Compensated absences	318,031	733,529	(571,043)	480,517	252,106
Business-type Activities Long-term liabilities	$ 6,575,453	$ 733,529	$ (1,557,843)	$ 5,751,139	$ 1,103,906

Substantially all vacation and sick leave is paid by the General Fund and Enterprise Funds. Accrued vacation and sick pay are reported in governmental funds only if termination has occurred and the balance is due at year-end. The General Fund is the governmental fund which primarily is responsible for liquidating the net pension and other postemployment liabilities for the governmental activities.

Governmental Activities

	Outstanding	Due Next Year
Certificates of Obligation		
$7,355,000 Series 2014 Certificates of Obligation due in annual installments of $265,000 to $495,000 through August 2034, plus interest at 3.00% to 3.75%	$ 4,240,000	$ 365,000
$3,750,000 Series 2015 Certificates of Obligation due in annual installments of $95,000 to $185,000 through August 2035, plus interest at 2.00% to 4.00%	1,675,000	125,000
$4,905,000 Series 2016 Certificates of Obligation due in annual installments of $175,000 to $345,000 through August 2036, plus interest at 2.00% to 4.00%	3,365,000	225,000
$1,950,000 Series 2019 Certificates of Obligation due in annual installments of $70,000 to $125,000 through August 2038, plus interest at 3.00%	1,570,000	310,000
$1,975,000 Series 2022 Certificates of Obligation due in annual installments of $60,000 to $100,000 through August 2033, plus interest at 4.00% to 5.00%	1,850,000	70,000
$1,975,000 Series 2024 Certificates of Obligation due in annual installments of $60,000 to $140,000 through August 2044, plus interest at 4.00% to 5.00%	1,975,000	60,000
Certificates of obligation	$ 14,675,000	$ 1,155,000

	Outstanding	Due Next Year
General Obligation		
$5,705,000 Series 2013 General Obligation Refunding Bonds due in annual installments of $290,000 to $585,000 through August 2026, interest at 2.00% to 3.50%	$ 1,045,000	$ 585,000
$4,915,000 Series 2015 General Obligation Refunding Bonds due in annual installments of $10,000 to $370,000 through August 2027, interest at 2.00% to 4.00%	1,080,000	345,000
$1,345,000 Series 2016 General Obligation Refunding Bonds due in annual installments of $5,000 to $160,000 through September 2028, interest at 2.00% to 4.00%	600,000	140,000
$4,945,000 Series 2016 General Obligation Refunding Bonds due in annual installments of $15,000 to $340,000 through September 2038, interest at 2.00% to 4.00%	3,795,000	210,000
$4,950,000 Series 2016 General Obligation Refunding Bonds due in annual installments of $15,000 to $340,000 through September 2038, interest at 2.00% to 4.00%	3,795,000	210,000
$1,500,000 Series 2017 General Obligation Refunding Bonds due in annual installments of $15,000 to $190,000 through August 2029, interest at 2.190%	810,000	175,000
$7,225,000 Series 2019 General Obligation Bonds due in annual installments of $250,000 to $470,000 through August 2039, interest at 2.5% to 4.5%	5,860,000	85,000
$13,350,000 Series 2021 General Obligation Bonds due in annual installments of $130,000 to $800,000 through September 2042, interest at .22% to 2.83%	11,885,000	570,000
General obligation	$ 28,870,000	$ 2,320,000

Business-type Activities

	Outstanding	Due Next Year
Certificates of Obligation		
$3,750,000 Series 2015 Certificates of Obligation due in annual installments of $40,000 to $80,000 through August 2035, plus interest at 2.00% to 4.00%	$ 720,000	$ 55,000
$1,360,000 Series 2018 Certificates of Obligation due in annual installments of $60,000 to $75,000 through August 2038, plus interest at 0.13% to 1.53%	975,000	65,000
$1,975,000 Series 2024 Certificates of Obligation due in annual installments of $60,000 to $140,000 through August 2044, plus interest at 4.00% to 5.00%	1,975,000	60,000
Total certificates of obligation	$ 3,670,000	$ 180,000
General Obligation Refunding Bonds		
$2,125,000 Series 2013 General Obligation Refunding Bonds due in annual installments of $160,000 to $315,000 through August 2026, interest at 2.00% to 3.50%	$ 200,000	$ 200,000
$4,915,000 Series 2015 General Obligation Refunding Bonds due in annual installments of $5,000 to $160,000 through August 2027, interest at 2.00% to 4.00%	455,000	145,000
$1,070,000 Series 2016 General Obligation Refunding Bonds due in annual installments of $90,000 to $125,000 through September 2028, interest at 2.00% to 4.00%	475,000	115,000
$2,350,000 Series 2017 General Obligation Refunding Bonds due in annual installments of $25,000 to $285,000 through August 2029, interest of 2.190%	1,385,000	275,000
Total general obligation bonds	$ 2,515,000	$ 735,000

Certain bond issues contain a provision that allows the City to prepay or call the bonds at no premium.

The annual requirements including interest to amortize all long-term debt outstanding at September 30, 2024, are as follows:

Year Ending	Governmental Activities		Business-type Activities	
September 30,	Principal	Interest	Principal	Interest
2025	$ 3,560,000	$ 1,323,966	$ 915,000	$ 201,815
2026	3,530,000	1,210,937	730,000	170,984
2027	3,160,000	1,106,823	760,000	149,361
2028	2,730,000	1,008,146	590,000	125,382
2029	2,660,000	922,622	475,000	107,893
2030-2034	13,860,000	3,391,168	1,140,000	397,356
2035-2039	10,910,000	1,319,183	925,000	211,450
2040-2044	3,390,000	164,700	650,000	63,400
Total	$ 43,800,000	$ 10,447,545	$ 6,185,000	$ 1,427,641

Loan from Direct Borrowing

During 2020, the City entered into a loan agreement with First National Bank of Texas for $575,000, Series 2020 Public Property Finance Contractual Obligation. The loan is due in annual installments of $75,000 to $90,000 through 2027, plus interest of 2.75%. Balance due as of September 30, 2024 is $255,000.

Lease Liability

The City leases equipment to conduct its operations, the terms of which expires 2027 and 2034. The measurement of the lease payables is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

As of September 30, 2024, the value of the lease liabilities was $1,441,638. An incremental borrowing rate of 5 percent was used to measure the lease liabilities. The value of the right-to-use assets as of September 30, 2024 was $1,698,857 and had accumulated amortization of $(96,905).

The future principal and interest payments for lease liabilities as of September 30, 2024, are as follows:

Year Ending September 30,	Governmental Activities Principal	Interest	Total Requirements
2025	$ 122,092	$ 70,892	$ 192,984
2026	160,594	62,929	223,523
2027	168,810	54,558	223,368
2028	140,645	47,322	187,967
2029	147,841	40,036	187,877
2030 - 2033	701,656	79,498	781,154
Total	$ 1,441,638	$ 355,236	$ 1,796,874

Subscription Liability

The City has subscription IT arrangements to conduct its operations, the terms of which expire 2024 through 2027. The measurement of the subscription liabilities is based on the present value of subscription payments expected to be paid during the subscription term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any subscription incentives payable.

At September 30, 2024, the value of the subscription liabilities was $589,652. An incremental borrowing rate of 5 percent was used to measure subscription liabilities. The value of the right-to-use subscription assets as of September 30, 2024, was $2,343,486 and had accumulated amortization of $(1,049,301).

The future principal and interest payments for subscription liabilities as of September 30, 2024, are as follows:

Year Ending September 30,	Governmental Activities Principal	Interest	Total Requirements
2025	$ 220,967	$ 22,698	$ 243,665
2026	217,275	11,667	228,942
2027	151,410	790	152,200
Total	$ 589,652	$ 35,155	$ 624,807

Note 8. Defined Benefit Pension Plan

Plan Description: The City participates as one of over 930 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the *TMRS Act*, Subtitle G, Title 8, Texas Government Code (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at *tmrs.com*.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided: TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the Member's benefit is calculated as if the sum of the Member's contributions, with interest, and the City-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

A summary of plan provisions for the City are as follows:

Employee deposit rate:	7%
Matching ratio (City to Employee):	2 to 1
Years required for vesting	5 years
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated service credit	100% repeating
Annuity increase to retirees*	30% of CPI-U

*TMRS allows cities to calculate Cost of Living Adjustments (COLAs) for retirees on an annual or ad hoc basis. The City has opted for the ad hoc basis calculation.

At the December 31, 2023, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	343
Inactive employees entitled to but not yet receiving benefits	267
Active employees	338
	948

Contributions: Member contribution rates in TMRS are either 5%, 6%, or 7% of the Member's total compensation, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City of Hurst were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City of Hurst were 13.75% and 12.19% in calendar years 2024 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were $4,006,991 and were equal to the required contributions.

Net Pension Liability: The City's net pension liability (NPL) was measured as of December 31, 2023, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Inflation	2.50%
Overall payroll growth	2.75% per year, adjusted down for population declines, if any

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of the expected return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global equity	35.00%	6.70%
Core fixed income	6.00%	4.70%
Non-core fixed income	20.00%	8.00%
Public and private markets	12.00%	8.00%
Real estate	12.00%	7.60%
Hedge funds	5.00%	6.40%
Private equity	10.00%	11.60%
Total	100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability	Total Pension Liability (a)	Plan Fiduciary Assets (b)	Net Pension Liability (a) - (b)
Balance at October 1, 2023	$ 206,870,903	$ 170,086,337	$ 36,784,566
Changes for the year			
Service cost	4,735,556	-	4,735,556
Interest	13,708,986	-	13,708,986
Difference between expected and actual experience	1,862,634	-	1,862,634
Contributions – employer	-	3,557,966	(3,557,966)
Contributions – employee	-	2,046,887	(2,046,887)
Net investment income	-	19,637,164	(19,637,164)
Benefit payments, including refunds of employee contributions	(12,285,187)	(12,285,187)	-
Administrative expense	-	(125,235)	125,235
Other changes	(963,340)	(875)	(962,465)
Net changes	7,058,649	12,830,720	(5,772,071)
Balance at September 30, 2024	$ 213,929,552	$ 182,917,057	$ 31,012,495

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 58,203,405	$ 31,012,495	$ 8,416,866

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended September 30, 2024, the City recognized pension expense of $4,975,217.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,111,617	$ 67,713
Changes in assumptions	-	713,770
Net difference between projected and actual earnings on pension plan investments	4,787,579	-
Contributions subsequent to the measurement date	2,937,097	-
Total	$ 10,836,293	$ 781,483

$2,937,097 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	Net Deferred Outflows/ (Inflows) of Resources
2025	$ 2,354,196
2026	2,533,060
2027	3,861,721
2028	(1,631,264)
Total	$ 7,117,713

Note 9. Interfund Balances

Interfund Due To/Due From balances are primarily related to balances of working capital loans made between the funds listed below, which are expected to be collected in the subsequent year. At September 30, 2024, the respective interfund balances follow:

	Due From	Due To
General Fund	$ 1,577,414	$ -
Special Projects Capital Projects Fund	-	653,404
Nonmajor Governmental funds	-	888,309
Water and Sewer Fund	1,000	
Nonmajor Enterprise funds		36,701
	$ 1,578,414	$ 1,578,414

A summary of interfund transfers for the year ended September 30, 2024, follows:

	Transfers In	Transfers Out
General Fund	$ 2,072,301	$ 15,412,588
HCDC Special Revenue Fund	8,805	1,223,387
Anti-crime Special Revenue Fund	42,152	2,500,000
Special Projects Capital Projects Fund	16,960,957	9,644,969
Nonmajor governmental funds	1,790,833	204,346
Water and Sewer Fund	7,098,092	266,338
Conference and Meeting Center Fund	444,543	-
Stormwater Fund	7,190	-
Internal service funds	826,755	-
	$ 29,251,628	$ 29,251,628

Transfers are used to: (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them and (2) use unrestricted revenues in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

The General Fund transferred an excess of revenues over expenditures to the Special Projects Capital Projects Fund for purchase or construction of building improvements, computer equipment, and office machinery and equipment.

The General Fund transferred $606,584 to the Internal Service Funds to supplement the health care reserve and for the purchase of equipment.

The HCDC Special Revenue Fund transferred funds to the HCDC Debt Service Fund (Nonmajor governmental fund) so that required debt service payments are funded.

The Anti-Crime Special Revenue Fund transferred funds to the Special Projects Capital Projects Fund for the purchase of equipment.

The Special Projects Capital Projects Fund transferred $17,976 to the Internal Service Funds for the purchase of vehicles and reimbursement of the annual lump sum payment. The Special Projects Capital Projects Fund transferred $400,000 to the Conference and Meeting Center Fund for office remodel at the conference center. The Special Projects Capital Projects Fund transferred $1,620,114 to the General Fund for purchase of fire department equipment. The Special Projects Capital Projects Fund transferred $6,961,315 to the Water and Sewer Fund for smart meter upgrades and other capial projects. The Special Projects Capital Projects Fund transferred $645,564 to the General Fund, HCDC Fund, Anti Crime Fund, Water and Sewer Fund, Stormwater Fund, Conference and Meeting Center Fund, and the Internal Service Funds for payroll costs related to special projects.

The 2007 CO Bond Capital Projects Fund (Nonmajor governmental fund), 2009 CO Bond Fund (Nonmajor governmental fund), 2015 CO Bond Capital Projects Fund (Nonmajor governmental fund), and 2019 CO Bonds Capital Projects Fund (Nonmajor governmental fund) transferred funds to the 2022 CO Bond Capital Projects Fund (Nonmajor governmental fund) related to CDBG project expenditures.

The Water and Sewer Fund transferred $202,195 to the Internal Service Funds to supplement the health care reserve.

Note 10. Indirect Cost/Street Rental Fees

The General Fund provides certain general and administrative services and use of the City's streets to the proprietary fund types. Charges for such services totaled $5,867,692 in 2024 and $5,642,640 in 2023 and are reflected as reductions of expenditures in the General Fund and as expenses in the proprietary fund types.

Note 11. Contingent Liabilities

Grant Programs

The City participates in a number of state and federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Litigation

The City is party to several legal actions arising in the ordinary course of business. In the opinion of the City's legal counsel and management, the City has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe that they will materially affect the City's operations or financial position. The amount of ultimate loss, if any, could differ materially.

Note 12. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To transfer some of the financial risk that would occur from these exposures, the City carries general, law enforcement, errors and omissions, and automobile liability insurance. The City also carries real and personal, flood and earthquake, boiler and machinery, and mobile equipment property insurance. Coverage amounts and deductibles vary. Property losses are insured on an "all-risk" basis with a basic $10,000 deductible. The City also purchased fidelity bonds and insurance to protect the City from employee dishonesty and theft by others. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

The City established a Loss Reserve Fund (an internal service fund) to account for and finance its uninsured risks of loss for the City's largest uninsured category, employee health care benefits. Under this program, the fund pays for medical claims and administrative costs to the health care provider. The administrative costs include an annual amount for coverage of claims exceeding $150,000 per covered person, a cost for potential claims after an attachment point of approximately $5,400,000 per year and costs of administering the program, about $1,500 per employee. During the course of the program, the attachment point for aggregate claims has never been reached.

All operating funds of the City make payments to the Loss Reserve Fund based on estimates of the amounts needed to pay prior and current year claims and to adjust a reserve for catastrophic losses. A consulting firm provides an analysis.

Accrued claims payable, including claims that are incurred but not reported, are recorded as fund liabilities. The provision for claims is determined by estimating the amount which will ultimately be paid based on the City's experience.

Changes in the Funds' claims liability amount and administrative service amounts in fiscal years 2024 and 2023 are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates		Claims Payments	End of Fiscal Year Liability
Loss Reserve Fund					
2022-2023	$ 289,946	$ 8,317,601	Claims	$ 6,618,970	$ 338,534
			ASO	$ 1,650,043	
2023-2024	$ 338,534	$ 9,821,986	Claims	$ 7,766,854	$ 439,255
			ASO	$ 1,954,411	
General Fund – General Liability					
2022-2023	$ 100,000	$ -		$ -	$ 100,000
2023-2024	$ 100,000	$ -		$ -	$ 100,000

Note 13. Other Postemployment Benefit (OPEB) Plan

Plan Description

The City offers retired employees and their dependents the option to retain health and dental insurance coverage under the City's plan through a single employer defined benefit OPEB plan administered by the City of Hurst Post-Retirement Health Care Plan Trust. Public Agency Retirement Services (PARS) is the Trust Administrator. The governing body of the Trust is composed of a coalition of member public agencies. Each member public agency appoints its individual plan administrator to serve as a member of the governing body. Certain provisions of the Trust may be changed by a two-thirds vote of the members of the governing body.

The plan does not issue a stand-alone financial report. For inquiries relating to the plan, please contact: The City Finance Office at 1505 Precinct Line Road, Hurst, Texas, 76054. A more detailed description of the plan is as follows:

Eligibility

The benefit is available to retirees and their spouses.

An employee must resign and satisfy the requirements for service retirement under the TMRS with at least 10 years of consecutive full-time service with the City immediately prior to retirement or, effective April 1, 2002, have a minimum of 25 years of full-time service with the City including a minimum of eight consecutive years of full-time service with the City immediately prior to retirement.

A retiree or his/her spouse is INELIGIBLE for coverage if he or she is eligible for any other group coverage through employment and will be required to certify this information.

A retiree/spouse who is not eligible when the employee retires is not eligible to rejoin at a later date. If an eligible retiree/spouse waives coverage at any time, they are not eligible for reinstatement in the future.

Benefits Provided

AFTER AGE 65 – Enroll in Medicare Advantage Plan, currently Humana. For each qualified retiree/spouse the City will contribute to the cost of a Group Medicare Advantage Plan for the eligible retiree/spouse in lieu of coverage through the City of Hurst Retiree Health Plan (retiree/spouse must be eligible to enroll). Eligible participating retirees and spouses age 65+ have the option to select a supplementary Medigap policy or another Medicare Advantage plan of their choice, and the City will reimburse the retiree and/or spouse what the City would have contributed for the retiree and/or spouse to the currently provided Medicare Advantage plan with documentation of the retiree's and/or spouse's monthly payment for the alternative policy/plan. The retiree and/or spouse will be responsible for the remainder of the premium. Eligible retirees/spouses must enroll in Medicare once eligible and pay the Medicare premiums.

BEFORE AGE 65 – Enroll in the City's Retiree Health Plan. The City will contribute to the cost of the eligible retiree/spouse/dependent coverage. The eligible retiree will also contribute towards this coverage and the cost will vary based on the eligible retiree's years of consecutive full-time service to the City immediately prior to TMRS service retirement and level of coverage. Upon reaching the age of 65, the retiree/spouse will have the AFTER AGE 65 options listed above.

Surviving Dependents

If an eligible retiree and his/her eligible dependents are covered by the City of Hurst Retiree Health Plan and the retiree dies:

The surviving spouse may continue as a survivor under the plan up to age 65. He/she may continue eligible dependent coverage with the City's plan by paying the applicable retiree/dependent cost based on the retiree's years of consecutive service with the City of Hurst immediately prior to the eligible retiree's TMRS service retirement. Surviving spouses/dependents must continue to meet eligibility requirements.

At age 65, the surviving spouse may be covered by the City's Medicare Advantage plan in effect at the time by paying 100% of the Medicare Advantage premium as long as he/she continues to meet eligibility requirements. Retiree reimbursement option is not available to surviving spouses.

Life Insurance

Effective for employees retiring October 1, 1997, or later, the City continues life insurance for the retiree at 50% of the City provided life insurance the retiree had as an active employee at no cost to the retiree. Effective October 1, 2011, the maximum retiree life insurance is $75,000. The amount of retiree life insurance coverage is subject to the same percentage reductions as active employees at age 70 or older.

Dental

Eligible retirees may continue the dental coverage they had for themselves and their eligible dependents on their date of retirement by paying 100% of the premium. There is no City contribution.

IMPORTANT NOTICE: THE CITY RESERVES THE RIGHT TO AMEND, MODIFY, AND/OR TERMINATE ITS PARTICIPATION WITH RETIREE COVERAGE AT ANY TIME. NO PERSON SHALL BE VESTED IN ANY RIGHT UNDER THIS POLICY OF RETIREE COVERAGE.

A measurement date of December 31, 2023, was used for the September 30, 2024, liability and expense. The information that follows was determined as of a valuation date of December 31, 2023.

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	195
Active employees	332
Total employees	527

The City Manager has the authority to establish and amend the benefit terms of the OPEB plan. Though the City has established a trust under the OPEB plan, the City employs a pay-as-you-go method for funding annually required benefit payments.

Investments

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized in the Asset Class table noted below.

Investment Policy

The plan's policy in regard to the allocation of invested assets is established by the City. The current asset allocation policy for the plan year ended December 31, 2023, is as follows:

Asset Class	Target Allocation
Equity	60.00%
Fixed income	35.00%
Cash	5.00%
Total	100.00%

Concentrations

All of the Plan's investments are held with Public Agency Retirement Services in the Balanced Strategy Growth Fund.

Rate of Return

For the plan year ended December 31, 2023, the annual money-weighted rate of return on investments, net of investment expense, was (16.01) %. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability: The City's net OPEB liability of $17,372,320 ($13,850,950 governmental activities and $3,521,370 business-type activities) was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023.

Actuarial Assumptions: The total OPEB liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age Normal
Discount Rate	5.36% as of December 31, 2023 (5.17% as of December 31, 2022)
Inflation	2.50%
Salary Increase	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used with male rates multiplied by 103% and female rates multipled by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years
Participation Rates	Participation rates vary based on years of City service. For employees with over 20 years of City service, participation rates vary from 35% to 95%.

Discount Rate: Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects: (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of developing the single discount rate, the City's future contributions were based on a 30-year, open amortization. Based on this funding policy, the last year in the single discount rate projection period for which projected benefit payments were fully funded was 2050.

At the December 31, 2023 measurement date, the expected rate of return on OPEB plan investments is 6.50%; the municipal bond rate is 3.77% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 5.36%.

Changes in the Net OPEB Liability:

Change in the Net OPEB Liability	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at December 31, 2022	$ 22,620,699	$ 6,398,583	$ 16,222,116
Changes for the year:			
Service cost	720,884	-	720,884
Interest	1,161,276	-	1,161,276
Difference between expected and actual experience	21,635	-	21,635
Changes of assumptions	1,287,735	-	1,287,735
Contributions – employer	-	1,055,503	(1,055,503)
Net investment income	-	1,002,664	(1,002,664)
Benefit payments	(1,038,662)	(1,038,662)	-
Administrative expense	-	(16,841)	16,841
Net changes	2,152,868	1,002,664	1,150,204
Balance at December 31, 2023	$ 24,773,567	$ 7,401,247	$ 17,372,320

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates: The net OPEB liability of the City has been calculated using a discount rate of 5.36%. The following presents the net OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	1% Decrease in Discount Rate (4.36%)	Current Discount Rate Assumption	1% Increase in Discount Rate (6.36%)
Net OPEB liability	$ 20,215,845	$ 17,372,320	$ 14,897,951

The net OPEB liability of the City has been calculated using the assumed health care cost trend rates of 7.20% decreasing to 4.25%. The following presents the net OPEB liability using health care cost trend rates 1.00% higher and 1.00% lower than the current health care cost trend rates.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Net OPEB liability	$ 15,921,253	$ 17,372,320	$ 19,827,053

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2024, the City recognized OPEB expense of $1,551,588. At September 30, 2024, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 886,222	$ 1,101,948
Changes of assumptions	2,485,215	1,644,501
Net difference between projected and actual earnings on OPEB investments	357,637	-
Contributions subsequent to the measurement date	785,015	-
Total	$ 4,514,089	$ 2,746,449

Contributions subsequent to the measurement date of $785,015 will be recognized as a reduction of the net OPEB liability in the year ending September 30, 2025.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30,	Net Deferred Outflows/ (Inflows) of Resources
2025	$ 87,806
2026	138,652
2027	530,930
2028	193,417
2029	(28,135)
Thereafter	59,955
Total	$ 982,625

Note 14. Deferred Compensation Plan – 457(b) Plan

The City maintains a voluntary deferred compensation plan covering substantially all employees. The deferred compensation plan is a 457(b) plan and is administered by Lincoln Retirement Services Company. The Plan provisions and contribution requirements are established and may be amended by the Plan administrator. Lincoln Financial Group Trust Company is the trustee of the plan. The City does not contribute to this plan.

Note 15. Tax Abatement

As of September 30, 2024, the City offers tax incentives under Chapter 380 of the Texas Local Government Code. Chapter 380 of the Local Government Code authorizes municipalities to offer incentives designed to promote economic development such as commercial and retail projects. Specifically, it provides for offering loans and grants of city funds or services to promote state and local economic development and to stimulate business and commercial activity. There are no other economic development programs that provide for tax incentives currently offered by the City of Hurst.

In 1987, Texas voters approved a constitutional amendment allowing for public expenditures to support economic development activities. The amendment explicitly provides for programs that use public funds for the purposes of development and diversification of the state's economy. Then in 1989, Chapter 380 of the Local Government code greatly expanded this by enabling municipalities to also engage in using public funds to support economic development. Chapter 380 agreements do not require a year limit and allows municipalities to provide monies, loans, city personnel, and city services for the promotion and encouragement of economic development.

Although Chapter 380 provides for broad use of city resources, the City closely evaluates each proposed 380 agreement on a case-by-case basis. While the City typically places a hard cap on years and financial support, whichever occurs first, there is one agreement that does not cap the number of years and only expires when the total financial support is met. The year and financial caps are negotiated in each distinct agreement.

The City has four active 380 agreements covering retail, hospitality, and entertainment. In each case a combination of tax incentives was used in the negotiations, including property, sales, and hotel occupancy tax. Under the 380 agreements, tax incentives are considered a "tax sharing" agreement. This means that no taxes are actually abated, rather all taxes must be paid in full to the City and the City will provide a payment to the entity each year equal to the amount authorized in their respective contracts. Through sharing revenue under chapter 380, the City is able to verify that the entity has completed their requirements as outlined in their contract.

In fiscal year 2024, the City of Hurst rebated (abated) $444,607 in property and sales taxes. The table below summarizes the tax sharing agreements in place for fiscal year 2024.

Company	% of Property Taxes Abated	% of Sales Taxes Abated	% of Hotel Occupancy Taxes Abated	Total Taxes Abated
Hurst One, LLC	50%	70%	N/A	$ 146,496
CN Churchill IV LLC	80%	0%	75%	$ 272,435
EREP Sprouts Crossing I, LLC	50%	0%	N/A	$ 25,676

Of the four active 380 agreements, the City did not rebate any taxes to Phillips Edison as they did not meet their performance requirements.

CITY OF HURST
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Required Supplementary Information

City of Hurst, Texas
Required Supplementary Information
Schedule of Changes in The City's Net Pension Liability and Related Ratios - TMRS
Last 10 Years
(Unaudited)

	Measurement Year			
	2014	**2015**	**2016**	**2017**
Total Pension Liability				
Service cost	$ 3,237,732	$ 3,659,696	$ 3,973,289	$ 4,106,510
Interest (on the Total Pension Liability)	9,694,314	10,074,733	10,295,405	10,751,911
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(1,004,246)	(346,324)	502,382	764,482
Change of assumptions	-	2,268,583	-	-
Benefit payments, including refunds of employee contributions	(6,537,857)	(6,870,568)	(7,556,886)	(8,592,383)
Net Change in Total Pension Liability	5,389,943	8,786,120	7,214,190	7,030,520
Total Pension Liability - Beginning	140,140,256	145,530,199	154,316,319	161,530,509
Total Pension Liability - Ending (a)	145,530,199	154,316,319	161,530,509	168,561,029
Plan Fiduciary Net Position				
Contributions - employer	2,402,228	2,450,163	2,376,553	2,687,273
Contributions - employee	1,570,083	1,688,782	1,727,426	1,789,807
Net investment income	7,524,651	201,292	9,037,883	19,293,284
Benefit payments, including refunds of employee contributions	(6,537,857)	(6,870,568)	(7,556,886)	(8,592,383)
Administrative expense	(78,569)	(122,612)	(102,096)	(100,013)
Other	(6,459)	(6,056)	(5,503)	(5,069)
Net Change in Plan Fiduciary Net Position	4,874,077	(2,658,999)	5,477,377	15,072,899
Plan Fiduciary Net Position - Beginning	131,549,606	136,423,683	133,764,684	139,242,061
Plan Fiduciary Net Position - Ending (b)	136,423,683	133,764,684	139,242,061	154,314,960
City's Net Pension Liability - Ending (a) - (b)	$ 9,106,516	$ 20,551,635	$ 22,288,448	$ 14,246,069
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.74%	86.68%	86.20%	91.55%
Covered Payroll	$ 22,349,232	$ 23,504,794	$ 24,663,496	$ 25,553,888
City's Net Pension Liability as a Percentage of Covered Payroll	40.75%	87.44%	90.37%	55.75%

Other Information:
The discount rate changed from 7.00% to 6.75% for the 2016 valuation; there were no other changes in assumptions.

Measurement Year					
2018	2019	2020	2021	2022	2023
$ 4,141,532	$ 4,294,773	$ 4,355,601	$ 4,299,817	$ 4,564,693	$ 4,735,556
11,221,017	11,603,397	12,112,003	12,540,609	13,074,546	13,708,986
-	-	-	-	-	-
(778,214)	635,990	(484,413)	926,422	2,915,041	1,862,634
-	286,317	-	-	-	(963,340)
(8,789,026)	(9,203,080)	(9,428,922)	(9,782,223)	(10,196,006)	(12,285,187)
5,795,309	7,617,397	6,554,269	7,984,625	10,358,274	7,058,649
168,561,029	174,356,338	181,973,735	188,528,004	196,512,629	206,870,903
174,356,338	181,973,735	188,528,004	196,512,629	206,870,903	213,929,552
2,806,311	2,942,019	2,999,772	3,135,711	3,453,934	3,557,966
1,810,318	1,879,028	1,871,652	1,849,189	2,032,958	2,046,887
(4,620,014)	22,463,670	12,388,487	22,283,990	(13,738,655)	19,637,164
(8,789,026)	(9,203,080)	(9,428,922)	(9,782,223)	(10,196,006)	(12,285,187)
(89,337)	(127,039)	(80,247)	(103,222)	(119,076)	(125,235)
(4,667)	(3,817)	(3,131)	707	142,093	(875)
(8,886,415)	17,950,781	7,747,611	17,384,152	(18,424,752)	12,830,720
154,314,960	145,428,545	163,379,326	171,126,937	188,511,089	170,086,337
145,428,545	163,379,326	171,126,937	188,511,089	170,086,337	182,917,057
$ 28,927,793	$ 18,594,409	$ 17,401,067	$ 8,001,540	$ 36,784,566	$ 31,012,495
83.41%	89.78%	90.77%	95.93%	82.22%	85.50%
$ 25,836,133	$ 26,842,333	$ 26,737,880	$ 26,346,916	$ 28,004,251	$ 29,016,888
111.97%	69.27%	65.08%	30.37%	131.35%	106.88%

City of Hurst, Texas
Required Supplementary Information
Schedule of City Contributions - TMRS
Last 10 Years
(Unaudited)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	$ 2,462,235	$ 2,468,088	$ 2,604,026	$ 2,736,709	$ 2,904,605	$ 2,910,714	$ 3,029,768	$ 3,419,077	$ 3,371,871	$ 4,006,991
Contributions in relation to the actuarially determined contribution	2,472,612	2,472,131	2,615,694	2,760,558	2,904,605	2,946,295	3,029,768	3,419,077	3,371,871	4,006,991
Contribution Deficiency (Excess)	$ (10,377)	$ (4,043)	$ (11,668)	$ (23,849)	$ -	$ (35,581)	$ -	$ -	$ -	$ -
Covered Payroll	$ 23,982,153	$ 25,292,040	$ 25,399,155	$ 25,632,597	$ 26,565,856	$ 26,356,739	$ 26,288,728	$ 28,909,682	$ 29,548,150	$ 31,912,986
Contributions as a Percentage of Covered Payroll	10.31%	9.77%	10.30%	10.77%	10.93%	11.18%	11.52%	11.83%	11.41%	12.56%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	22 years (longest amortization ladder)
Asset Valuation Method	10-year smoothed fair value; 12% soft corridor
Inflation	2.5%
Salary Increases	3.60% to 11.85%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB (10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes	Granted 30% retroactive ad hoc COLA.

City of Hurst, Texas
Required Supplementary Information
Schedule of Changes in The City's Net OPEB Liability and Related Ratios
Last 10 Years*
(Unaudited)

	Measurement Year						
	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service cost	$ 689,481	$ 768,566	$ 792,053	$ 682,587	$ 811,803	$ 871,388	$ 720,884
Interest (on the Total OPEB Liability)	981,235	1,004,827	1,061,546	933,744	921,737	1,023,287	1,161,276
Difference between expected and actual experience	-	(67,845)	(3,560,217)	(10,073)	1,281,325	165,531	21,635
Change of assumptions	644,834	(58,439)	599,659	1,374,648	925,966	(2,261,610)	1,287,735
Benefit payments, including refunds of employee contributions	(849,310)	(680,984)	(682,789)	(764,202)	(787,066)	(1,079,147)	(1,038,662)
Net Change in Total OPEB Liability	1,466,240	966,125	(1,789,748)	2,216,704	3,153,765	(1,280,551)	2,152,868
Total OPEB Liability - Beginning	17,888,164	19,354,404	20,320,529	18,530,781	20,747,485	23,901,250	22,620,699
Total OPEB Liability - Ending (a)	19,354,404	20,320,529	18,530,781	20,747,485	23,901,250	22,620,699	24,773,567
Plan Fiduciary Net Position							
Employer contributions	877,112	1,073,668	1,433,489	1,511,286	1,515,680	1,096,120	1,055,503
Net investment income	413,998	(171,374)	677,555	654,740	700,830	(1,173,762)	1,002,664
Benefit payments	(849,310)	(680,984)	(682,789)	(764,202)	(787,066)	(1,079,147)	(1,038,662)
Administrative expense	(7,175)	(7,904)	(9,189)	(11,632)	(16,188)	(16,973)	(16,841)
Net Change in Plan Fiduciary Net Position	434,625	213,406	1,419,066	1,390,192	1,413,256	(1,173,762)	1,002,664
Plan Fiduciary Net Position - Beginning	2,701,800	3,136,425	3,349,831	4,768,897	6,159,089	7,572,345	6,398,583
Plan Fiduciary Net Position - Ending (b)	3,136,425	3,349,831	4,768,897	6,159,089	7,572,345	6,398,583	7,401,247
City's Net OPEB Liability - Ending (a) - (b)	$ 16,217,979	$ 16,970,698	$ 13,761,884	$ 14,588,396	$ 16,328,905	$ 16,222,116	$ 17,372,320
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	16.21%	16.48%	25.74%	29.69%	31.68%	28.29%	29.88%
Covered Employee Payroll	$ 25,094,883	$ 25,064,769	$ 26,261,996	$ 26,373,442	$ 26,173,012	$ 27,959,257	$ 29,069,047
City's Net OPEB Liability as a Percentage of Covered Employee Payroll	64.63%	67.71%	52.40%	55.31%	62.39%	58.02%	59.76%
Single Discount Rate	5.18%	5.21%	5.05%	4.44%	4.30%	5.77%	5.36%

Notes to schedule:

*The information in this schedule has been determined as of the measurement date (December 31) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions, only periods for which such information is available are presented.

City of Hurst, Texas
Required Supplementary Information
Schedule of City Contributions - OPEB
Last 10 Years*
(Unaudited)

	Fiscal Year						
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Actuarially determined contribution	$ 1,044,493	$ 1,308,968	$ 1,348,237	$ 1,388,684	$ 1,057,214	$ 1,088,930	$ 1,193,917
Contribution in relation to the actuarially determined contribution	1,103,792	1,512,327	1,350,433	1,489,582	1,115,526	826,152	1,181,349
Contribution Deficiency (Excess)	$ (59,299)	$ (203,359)	$ (2,196)	$ (100,898)	$ (58,312)	$ 262,778	$ 12,568
Covered Employee Payroll	$ 26,669,986	$ 27,538,631	$ 26,767,738	$ 26,689,275	$ 27,367,587	$ 28,437,074	$ 29,940,527
Contributions as a Percentage of Covered Employee Payroll	4.14%	5.49%	5.05%	5.58%	4.08%	2.91%	3.95%

Notes to Schedule:

Valuation Date:	The actuarially determined contribution for fiscal year ending September 30, 2024 was developed in the December 31, 2021 valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level percentage of pay
Amortization Period	Open, 30-years
Asset Valuation Method	Market value
Inflation	2.5%
Healthcare Cost Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 13 years
Salary Increases	3.50% to 11.50%, including inflation
Investment Rate of Return	6.50%, net of investment expense, including inflation
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.

*The information in this schedule has been determined for the fiscal year end of the City and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions, only periods for which such information is available are presented.

City of Hurst, Texas
Required Supplementary Information
Schedule of Investment Returns - OPEB
Last 10 Years*
(Unaudited)

Plan Year	Weighted Rate of Return
2017	15.64 %
2018	(4.66) %
2019	19.90 %
2020	13.48 %
2021	11.60 %
2022	(15.23) %
2023	16.01 %

*The information in this schedule has been determined as of the measurement date (December 31) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision, only periods for which such information is available are presented.

City of Hurst, Texas
Required Supplementary Information
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual - GAAP Basis
Year Ended September 30, 2024 with Comparative Actual for Year Ended September 30, 2023

	2024				2023
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues					
Taxes					
Property taxes	$ 19,669,740	$ 19,669,740	$ 19,475,900	$ (193,840)	$ 18,359,868
Penalties and interest	85,000	85,000	130,769	45,769	118,412
City sales taxes	10,927,085	10,927,085	12,843,036	1,915,951	12,981,750
Mixed beverage taxes	160,000	160,000	142,269	(17,731)	148,052
Franchise taxes	2,655,000	2,655,000	2,653,614	(1,386)	2,694,566
	33,496,825	33,496,825	35,245,588	1,748,763	34,302,648
Licenses and Permits					
Building inspection	705,000	705,000	1,130,713	425,713	958,482
Paving inspection	5,000	5,000	410	(4,590)	59,252
Other	21,400	21,400	19,375	(2,025)	21,880
	731,400	731,400	1,150,498	419,098	1,039,614
Intergovernmental					
Grants	446,431	446,431	1,525,792	1,079,361	1,159,588
	446,431	446,431	1,525,792	1,079,361	1,159,588
Fines and Fees					
Municipal court	479,487	479,487	507,800	28,313	455,694
Library	4,691	4,691	4,395	(296)	4,065
	484,178	484,178	512,195	28,017	459,759
Charges for Services					
Recreational activity fees	683,466	683,466	619,009	(64,457)	672,704
Aquatic fees	540,126	540,126	457,030	(83,096)	420,073
Ambulance fees	700,000	700,000	988,057	288,057	994,106
Other	147,290	147,290	329,815	182,525	200,112
	2,070,882	2,070,882	2,393,911	323,029	2,286,995
Miscellaneous					
Investment earnings (losses)	466,563	466,563	1,500,841	1,034,278	1,141,458
Miscellaneous	382,612	382,612	271,092	(111,520)	442,251
	849,175	849,175	1,771,933	922,758	1,583,709
	$ 38,078,891	$ 38,078,891	$ 42,599,917	$ 4,521,026	$ 40,832,313

City of Hurst, Texas
Required Supplementary Information
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual - GAAP Basis (Continued)
Year Ended September 30, 2024 with Comparative Actual for Year Ended September 30, 2023

	2024				2023
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures					
General Government					
City Council	$ 26,000	$ 26,000	$ 13,891	$ 12,109	$ 13,769
City Secretary	339,762	339,762	320,937	18,825	302,175
Administration (City Manager)	431,249	431,249	480,222	(48,973)	467,038
Judicial (municipal court)	693,699	693,699	625,361	68,338	604,497
Development	614,886	614,886	677,261	(62,375)	543,544
Personnel	396,148	396,148	397,446	(1,298)	406,965
Accounting (finance)	342,246	342,246	342,266	(20)	325,165
Nondepartmental	1,322,552	1,322,552	2,716,848	(1,394,296)	373,412
Information systems	30,024	30,024	17,745	12,279	13,765
Building maintenance	522,933	522,933	474,042	48,891	455,240
Total general government	4,719,499	4,719,499	6,066,019	(1,346,520)	3,505,570
Public Safety					
Ambulance	1,828,409	1,828,409	1,803,126	25,283	1,662,220
Police	12,277,660	12,277,660	11,917,383	360,277	12,087,367
Fire	8,587,965	8,587,965	9,059,826	(471,861)	8,497,442
Total public safety	22,694,034	22,694,034	22,780,335	(86,301)	22,247,029
Culture and Recreation					
Administration	369,379	319,379	266,044	53,335	260,704
Recreation	1,481,633	1,481,633	1,462,091	19,542	1,192,082
Aquatics	462,947	462,947	387,704	75,243	224,640
Parks	2,727,963	2,727,963	2,427,912	300,051	2,273,547
Library	1,795,205	1,795,205	1,674,239	120,966	1,607,574
Senior citizens	637,508	637,508	613,382	24,126	565,105
Total culture and recreation	7,474,635	7,424,635	6,831,372	593,263	6,123,652
Public Works					
Streets	1,889,267	1,889,267	1,945,311	(56,044)	1,819,514
Engineering community development	196,625	196,625	206,399	(9,774)	164,073
Code enforcement	839,871	839,871	870,874	(31,003)	789,959
Total public works	2,925,763	2,925,763	3,022,584	(96,821)	2,773,546
Total Expenditures	$ 37,813,931	$ 37,763,931	$ 38,700,310	$ (936,379)	$ 34,649,797
Excess of Revenues Over Expenditures	$ 264,960	$ 314,960	$ 3,899,607	$ 3,584,647	$ 6,182,516

City of Hurst, Texas
Required Supplementary Information
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual - GAAP Basis (Continued)
Year Ended September 30, 2024 with Comparative Actual for Year Ended September 30, 2023

	2024				2023
	Original Budget	Final Budget	Actual	Variance	Actual
Other Financing Sources (Uses)					
Leases issued	$ -	$ -	$ 1,341,637	$ 1,341,637	$ 130,686
Subscriptions issued	-	-	-	-	284,915
Proceeds from sale of capital assets	-	-	4,128		
Transfers in	-	-	2,072,301	2,072,301	342,307
Transfers out	-	-	(15,412,588)	(15,412,588)	(5,459,754)
Total other financing uses	-	-	(11,994,522)	(11,998,650)	(4,701,846)
Net Change in Fund Balance	264,960	314,960	(8,094,915)	(8,409,875)	1,480,670
Fund Balance, Beginning of Year	29,393,163	29,393,163	29,393,163	-	27,912,493
Fund Balance, End of Year	$ 29,658,123	$ 29,708,123	$ 21,298,248	$ (8,409,875)	$ 29,393,163

City of Hurst, Texas
Required Supplementary Information
Major Special Revenue Funds - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual - GAAP Basis
Year Ended September 30, 2024 with Comparative Actual for Year Ended September 30, 2023

	HCDC				
	Original Budget	Final Budget	2024 Actual	Variances	2023 Actual
Revenues					
Taxes, penalties and interest	$ 5,500,000	$ 5,500,000	$ 6,103,825	$ 603,825	$ 6,210,611
Support from governmental entities	-	-	289,954	289,954	-
Investment earnings (losses)	56,000	56,000	398,448	342,448	233,719
Miscellaneous	5,000	5,000	6,654	1,654	3,939
Total revenues	5,561,000	5,561,000	6,798,881	1,237,881	6,448,269
Expenditures					
Culture and recreation	4,208,703	4,092,515	4,048,101	44,414	3,808,497
Capital outlay	470,000	470,000	1,070,662	(600,662)	648,524
Total expenditures	4,678,703	4,562,515	5,118,763	(556,248)	4,457,021
Excess of revenues over expenditures	882,297	998,485	1,680,118	681,633	1,991,248
Other Financing Sources (Uses)					
Transfers in	-	-	8,805	8,805	6,000
Transfers out	-	-	(1,223,387)	(1,223,387)	(1,224,784)
Total other financing sources (uses)	-	-	(1,214,582)	(1,214,582)	(1,218,784)
Net Change in Fund Balance	882,297	998,485	465,536	(532,949)	772,464
Fund Balance, Beginning of Year	7,764,478	7,764,478	7,764,478	-	6,992,014
Fund Balance, End of Year	$ 8,646,775	$ 8,762,963	$ 8,230,014	$ (532,949)	$ 7,764,478

City of Hurst, Texas
Required Supplementary Information
Major Special Revenue Funds - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual - GAAP Basis (Continued)
Year Ended September 30, 2024 with Comparative Actual for Year Ended September 30, 2023

	Anti-Crime				
	Original Budget	Final Budget	2024 Actual	Variances	2023 Actual
Revenues					
Taxes, penalties and interest	$ 5,500,000	$ 5,500,000	$ 6,058,772	$ 558,772	$ 6,172,240
Investment earnings (losses)	73,000	73,000	561,791	488,791	360,497
Miscellaneous	2,000	2,000	1,517	(483)	3,320
Total revenues	5,575,000	5,575,000	6,622,080	1,047,080	6,536,057
Expenditures					
Public safety	5,753,333	5,753,333	5,346,682	406,651	5,010,598
Total expenditures	5,753,333	5,753,333	5,346,682	406,651	5,010,598
Excess of Revenues Over Expenditures	(178,333)	(178,333)	1,275,398	1,453,731	1,525,459
Other Financing Sources (Uses)					
Transfers in	-	-	42,152	42,152	35,874
Transfers out	-	-	(2,500,000)	(2,500,000)	-
Total other financing sources (uses)	-	-	(2,457,848)	(2,457,848)	35,874
Net Change in Fund Balance	(178,333)	(178,333)	(1,182,450)	(1,004,117)	1,561,333
Fund Balance — Beginning of Year	11,440,091	11,440,091	11,440,091	-	9,878,758
Fund Balance — End of Year	$ 11,261,758	$ 11,261,758	$ 10,257,641	$ (1,004,117)	$ 11,440,091

1. Summary of Significant Accounting Policies

A. Budgetary Data and Stewardship

The City is required to annually adopt budgets for the General, Special Revenue and Debt Service Funds on a basis consistent with GAAP. Budgeted amounts are originally adopted by the City Council for the 2023-2024 budget. The City follows these procedures in establishing budgetary data reflected in the basic financial statements.

1) Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2) Public hearings are conducted to obtain taxpayer comments.
3) Prior to September 30, the budget is legally enacted through passage of an ordinance.
4) The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council, after public hearings.
5) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Debt Service Funds.
6) Budgetary data for the Capital Projects Funds has not been presented in the accompanying basic financial statements as such funds are budgeted over the life of the respective project and not on an annual basis. Accordingly, formal budgetary integration of the Capital Projects Funds is not employed and comparison of actual results of operations to budgetary data for such funds is not presented.

B. Excess of Expenditures Over Appropriations

For the year ended September 30, 2024, expenditures exceeded appropriations in the following funds by the following amounts:

- General Fund – $936,379
- HCDC Fund – $556,248

Expenditures exceeded appropriations in the General Fund for general government as a result of issuance of leases which increased expenditures for non-departmental/capital outlay, which is offset by an other financing source (leases issued). All other expenditures exceeding appropriations were funded through revenue surplus received during the year for the General Fund and HCDC Fund.

CITY OF HURST
TEXAS

Combining and Individual Fund Financial Statements and Schedules

CITY OF HURST
TEXAS

City of Hurst, Texas
Fund Descriptions

General Fund

The General Fund – Used to account for all revenues and expenditures not accounted for in other funds.

Non-Major Debt Service Funds

The Debt Service Fund – To provide for the payment of general obligation bond principal and interest as they come due. Property tax is required to be computed and levied which will be sufficient to produce the money required to pay principal and interest and fiscal agent fees as they come due.

The HCDC Debt Service Fund – To account for the sales tax revenue required to pay principal and interest and fiscal agent fees related to sales tax revenue bonds.

Hotel/Motel Debt Service Fund – To account for the hotel/motel tax revenue required to pay principal and interest and fiscal agent fees as they come due related to the construction of the Hurst Conference Center.

Non-Major Capital Projects Funds

2007 G.O. Bond Capital Projects Fund – To account for the financing and construction of voter approved projects. Financing was provided by general obligation bond proceeds.

2007 C.O. Bond Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

2009 C.O. Bond Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

2015 C.O. Bond Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

2017 Tax Notes Capital Projects Fund - To account for the financing of a new fire engine.

2019 C.O. Bond Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

2019 G.O. Bond Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by general obligation bond proceeds.

2022 C.O. Bonds Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

2024 C.O. Bond Capital Projects Fund – To account for the financing and construction of designated projects. Financing was provided by certificate of obligation bond proceeds.

Escrow Projects Capital Projects Fund – To account for the construction of projects that are partially paid through escrow funds. Financing was provided by various sources including developer escrow funds.

Non-Major Enterprise Funds

Hurst Public Facility Corporation Fund – Used to account for the activities of the Hurst Public Facility Corporation, a public non-profit corporation organized pursuant to the *Texas Public Facility Act*, Chapter 303 Texas Local Government Code.

Val Oaks Fund – Used to account for the activities at the Val Oaks property, including lease revenues and related operating expenditures.

Internal Service Funds

The Fleet Service Fund – Used to account for the acquisition and financing of replacement vehicles of the General Fund and the repair and maintenance of all vehicles. Operations are financed by charges to user departments based on vehicle usage.

The Loss Reserve Fund – Used to account for the City's self-insurance health care program. The program is financed by charges to user departments based on the number of covered employees and dependents.

The Information Services Fund – Used to account for the personnel and operating costs of information services and the replacement cost of all computer related equipment. Operations are financed by charges to user departments on a cost-reimbursement basis.

City of Hurst, Texas
Comparative Balance Sheets
General Fund
September 30, 2024

	2024	2023
Assets		
Cash and cash equivalents	$ 1,915,482	$ 704,956
Investments	17,375,428	21,144,159
Taxes receivable	2,159,351	2,276,784
Lease receivable	141,204	155,976
Court receivables	2,574,569	2,344,059
Other	1,883,865	1,169,312
Inventories and prepaid expenses	22,683	27,883
Due from other funds	1,577,414	7,994,561
Total assets	$ 27,649,996	$ 35,817,690
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable and accrued items	$ 2,494,598	$ 3,454,941
Escrow deposits payable and unearned revenue	78,002	68,885
Total liabilities	2,572,600	3,523,826
Deferred Inflows of Resources		
Lease related	129,666	146,371
Unavailable revenue	3,649,482	2,754,330
Total deferred inflows of resources	3,779,148	2,900,701
Fund Balances		
Nonspendable		
Inventory	22,683	27,883
Restricted	10,425,315	7,687,793
Assigned	22,907	22,907
Unassigned	10,827,343	21,654,580
Total fund balances	21,298,248	29,393,163
Total liabilities, deferred inflows of resources and fund balances	$ 27,649,996	$ 35,817,690

City of Hurst, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024 with Comparative
Total for September 30, 2023

	Debt Service			
	Debt Service Fund	HCDC Debt Service Fund	Hotel Motel Debt Service Fund	2007 GO Bond
Assets				
Cash and cash equivalents	$ 1,052,689	$ 848,362	$ 4,860	$ -
Investments	100,000	-	-	-
Receivables, net				
Taxes	36,472	-	-	-
Other	3,066	-	-	-
Total assets	$ 1,192,227	$ 848,362	$ 4,860	$ -
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)				
Liabilities				
Accounts payable and accrued items	$ 12,342	$ 26,597	$ -	$ -
Due to other funds	760,595	174	30	-
Total liabilities	772,937	26,771	30	-
Deferred Inflows of Resources				
Unavailable revenue	33,366	-	-	-
Total deferred inflows of resources	33,366	-	-	-
Fund Balances (Deficit)				
Restricted	385,924	821,591	4,830	-
Unassigned	-	-	-	-
Total fund balances (deficit)	385,924	821,591	4,830	-
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 1,192,227	$ 848,362	$ 4,860	$ -

Capital Projects							
2007 CO Bond	2009 CO Bond	2015 CO Bond	2017 Tax Notes	2019 CO Bonds	2019 GO Bonds	2022 CO Bonds
$ 10,151	$ -	$ 38,454	$ 76	$ 40,921	$ 27,818	$ 1,091,432
-	-	100,000	-	100,000	50,031	706,138
-	-	-	-	-	-	-
-	-	1,571	-	6,884	373	14,023
$ 10,151	$ -	$ 140,025	$ 76	$ 147,805	$ 78,222	$ 1,811,593
$ -	$ -	$ 125,662	$ -	$ 60,630	$ -	$ 789,403
-	-	127,510	-	-	-	-
-	-	253,172	-	60,630	-	789,403
-	-	-	-	-	-	-
-	-	-	-	-	-	-
10,151	-	-	76	87,175	78,222	1,022,190
-	-	(113,147)	-	-	-	-
10,151	-	(113,147)	76	87,175	78,222	1,022,190
$ 10,151	$ -	$ 140,025	$ 76	$ 147,805	$ 78,222	$ 1,811,593

City of Hurst, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024 with Comparative
Total for September 30, 2023

	Capital Projects		Totals	
	2024 CO Bonds	Escrow Projects	2024	2023
Assets				
Cash and cash equivalents	$ 2,001,603	$ -	$ 5,116,366	$ 199,266
Investments	-	-	1,056,169	4,867,292
Receivables, net				
Taxes	-	-	36,472	24,470
Other	-	-	25,917	19,641
Total assets	$ 2,001,603	$ -	$ 6,234,924	$ 5,110,669
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)				
Liabilities				
Accounts payable and accrued items	$ -	$ -	$ 1,014,634	$ 107,099
Due to other funds	-	-	888,309	1,089,543
Total liabilities	-	-	1,902,943	1,196,642
Deferred Inflows of Resources				
Unavailable revenue	-	-	33,366	20,777
Total deferred inflows of resources	-	-	33,366	20,777
Fund Balances (Deficit)				
Restricted	2,001,603	-	4,411,762	3,893,250
Unassigned	-	-	(113,147)	-
Total fund balances (deficit)	2,001,603	-	4,298,615	3,893,250
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 2,001,603	$ -	$ 6,234,924	$ 5,110,669

City of Hurst, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024 with Comparative
Total for September 30, 2023

	Debt Service			
	Debt Service Fund	HCDC Debt Service Fund	Hotel Motel Debt Service Fund	2007 GO Bond
Revenues				
Taxes, penalty and interest	$ 3,384,950	$ -	$ -	$ -
Investment earnings (losses)	48,713	43,177	247	-
Miscellaneous	-	-	-	-
Total revenues	3,433,663	43,177	247	-
Expenditures				
Capital outlay	-	-	-	-
Debt Service				
Principal retirement	2,595,000	770,000	205,000	-
Interest and fiscal charges	825,473	453,562	158,130	-
Total expenditures	3,420,473	1,223,562	363,130	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,190	(1,180,385)	(362,883)	-
Other Financing Sources (Uses)				
Issuance of debt	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers in	-	1,223,387	363,100	-
Transfers out	-	-	-	(1,207)
Total other financing sources (uses)	-	1,223,387	363,100	(1,207)
Net Change in Fund Balances (Deficit)	13,190	43,002	217	(1,207)
Fund Balances (Deficit), Beginning of Year	372,734	778,589	4,613	1,207
Fund Balances (Deficit), End of Year	$ 385,924	$ 821,591	$ 4,830	$ -

Capital Projects						
2007 CO Bond	2009 CO Bond	2015 CO Bond	2017 Tax Notes	2019 CO Bonds	2019 GO Bonds	2022 CO Bonds
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	26,548	-	23,517	3,797	101,055
-	-	-	-	-	-	-
-	-	26,548	-	23,517	3,797	101,055
-	-	97,337	-	388,209	-	1,322,018
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	97,337	-	388,209	-	1,322,018
-	-	(70,789)	-	(364,692)	3,797	(1,220,963)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	204,346
-	(2,090)	(74,244)	-	(118,170)	-	-
-	(2,090)	(74,244)	-	(118,170)	-	204,346
-	(2,090)	(145,033)	-	(482,862)	3,797	(1,016,617)
10,151	2,090	31,886	76	570,037	74,425	2,038,807
$ 10,151	$ -	$ (113,147)	$ 76	$ 87,175	$ 78,222	$ 1,022,190

City of Hurst, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024 with Comparative
Total for September 30, 2023

	Capital Projects		Totals	
	2024 CO Bonds	Escrow Projects	2024	2023
Revenues				
Taxes, penalty and interest	$ -	$ -	$ 3,384,950	$ 3,607,442
Investment earnings (losses)	-	-	247,054	233,471
Miscellaneous	-	-	-	7,161
Total revenues	-	-	3,632,004	3,848,074
Expenditures				
Capital outlay	-	-	1,807,564	2,080,108
Debt Service				
Principal retirement	-	-	3,570,000	3,680,000
Interest and fiscal charges	34,730	-	1,471,895	1,545,172
Total expenditures	34,730	-	6,849,459	7,305,280
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,730)	-	(3,217,455)	(3,457,206)
Other Financing Sources (Uses)				
Issuance of debt	1,975,000	-	1,975,000	-
Premium on bond issuance	61,333	-	61,333	-
Transfers in	-	-	1,790,833	1,585,684
Transfers out	-	(8,635)	(204,346)	-
Total other financing sources (uses)	2,036,333	(8,635)	3,622,820	1,585,684
Net Change in Fund Balances (Deficit)	2,001,603	(8,635)	405,365	(1,871,522)
Fund Balances (Deficit), Beginning of Year	-	8,635	3,893,250	5,764,772
Fund Balances (Deficit), End of Year	$ 2,001,603	$ -	$ 4,298,615	$ 3,893,250

City of Hurst, Texas
Debt Service Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Year Ended September 30, 2024 with Comparative Actual for Year Ended September 30, 2023

	Debt Service Fund			
	2024			2023
	Budget	Actual	Variances	Actual
Revenues				
Taxes, penalties and interest	$ 3,386,148	$ 3,384,950	$ (1,198)	$ 3,607,442
Investment earnings	15,000	48,713	33,713	17,208
Miscellaneous	-	-	-	2,432
Total revenues	3,401,148	3,433,663	32,515	3,627,082
Expenditures				
Principal retirement	2,595,000	2,595,000	-	2,740,000
Interest and fiscal charges	820,385	825,473	(5,088)	899,490
Total expenditures	3,415,385	3,420,473	(5,088)	3,639,490
Excess of revenues over expenditures	(14,237)	13,190	27,427	(12,408)
Fund Balance, Beginning of Year	372,734	372,734	-	385,142
Fund Balance, End of Year	$ 358,497	$ 385,924	$ -	$ 372,734

City of Hurst, Texas
Debt Service Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended September 30, 2024 with Comparative Actual for Year Ended September 30, 2023

	HCDC Debt Service Fund			
	2024			2023
	Budget	Actual	Variance	Actual
Revenues				
Investment earnings	$ -	$ 43,177	$ 43,177	$ 34,620
Total revenues	-	43,177	43,177	34,620
Expenditures				
Principal retirement	770,000	770,000	-	745,000
Interest and fiscal charges	451,583	453,562	(1,979)	479,782
Total expenditures	1,221,583	1,223,562	(1,979)	1,224,782
Excess (deficiency) of revenues over (under) expenditures	(1,221,583)	(1,180,385)	41,198	(1,190,162)
Other Financing Sources				
Transfers in	1,221,583	1,223,387	1,804	1,224,784
Total other financing sources	1,221,583	1,223,387	1,804	1,224,784
Revenues and Other Financing Sources Over Expenditures	-	43,002	43,002	34,622
Fund Balance, Beginning of Year	778,589	778,589	-	743,967
Fund Balance, End of Year	$ 778,589	$ 821,591	$ 43,002	$ 778,589

City of Hurst, Texas
Debt Service Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended September 30, 2024 with Comparative Actual for Year Ended September 30, 2023

	Hotel/Motel Debt Service Fund			
	2024			2023
	Budget	Actual	Variance	Actual
Revenues				
Investment earnings	$ -	$ 247	$ 247	$ 198
Total revenues	-	247	247	198
Expenditures				
Principal retirement	205,000	205,000	-	195,000
Interest and fiscal charges	157,800	158,130	(330)	165,900
Total expenditures	362,800	363,130	(330)	360,900
Deficiency of revenues under expenditures	(362,800)	(362,883)	(83)	(360,702)
Other Financing Sources				
Transfers in	362,800	363,100	(300)	360,900
Total other financing sources	362,800	363,100	(300)	360,900
Revenues and Other Financing Sources Over Expenditures	-	217	217	198
Fund Balance, Beginning of Year	4,613	4,613	-	4,415
Fund Balance, End of Year	$ 4,613	$ 4,830	$ 217	$ 4,613

City of Hurst, Texas
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2024 with Comparative
Total for September 30, 2023

	Hurst Public Facility Corporation Fund	Val Oaks Fund	Totals 2024	Totals 2023
Assets				
Current assets				
Cash and cash equivalents	$ 473,841	$ -	$ 473,841	$ 497,855
Lease receivable	-	65,273	65,273	187,535
Other receivables	-	245	245	703
Total assets	473,841	65,518	539,359	686,093
Liabilities				
Current liabilities				
Due to other funds	-	36,701	36,701	-
Customer deposits	-	25,406	25,406	25,406
Total current liabilities	-	62,107	62,107	25,406
Deferred Inflows of Resources				
Lease related	-	56,632	56,632	170,670
Total deferred inflows of resources	-	56,632	56,632	170,670
Net Position				
Unrestricted	473,841	(53,221)	420,620	490,017
Total net position	473,841	(53,221)	420,620	490,017
Total liabilities, deferred inflows of resources and net position	$ 473,841	$ 65,518	$ 539,359	$ 686,093

City of Hurst, Texas
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2024 with Comparative
Total for September 30, 2023

	Hurst Public Facility Corporation Fund	Val Oaks Fund	Totals 2024	Totals 2023
Operating Revenues				
Service fees	$ 32,280	$ -	$ 32,280	$ -
Other	-	119,092	119,092	170,079
Total operating revenues	32,280	119,092	151,372	170,079
Operating Expenses				
Miscellaneous	50,650	175,582	226,232	65,000
Total operating expenses	50,650	175,582	226,232	65,000
Operating Income (Loss)	(18,370)	(56,490)	(74,860)	105,079
Nonoperating Revenues (Expenses)				
Interest revenue	5,463	-	5,463	16,462
Total nonoperating revenues (expenses)	5,463	-	5,463	16,462
Change in Net Position	(12,907)	(56,490)	(69,397)	121,541
Net Position, Beginning of Year	486,748	3,269	490,017	368,476
Net Position, End of Year	$ 473,841	$ (53,221)	$ 420,620	$ 490,017

City of Hurst, Texas
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2024 with Comparative
Total for Year Ended September 30, 2023

	Hurst Public Facility Corporation Fund	Val Oaks Fund	Totals 2024	Totals 2023
Operating Activities				
Receipts from customers and users	$ 32,280	$ 127,774	$ 160,054	$ 170,079
Payments to suppliers	(50,650)	(138,881)	(189,531)	(48,045)
Net cash provided by (used in) operating activities	(18,370)	(11,107)	(29,477)	122,034
Capital and Related Financing Activities				
Interest income from lease	-	-	-	-
Net cash provided by capital and financing activities	-	-	-	-
Investing Activities				
Interest income on investments	5,463	-	5,463	3,674
Net cash provided by investing activities	5,463	-	5,463	3,674
Increase (Decrease) in Cash and Cash Equivalents	(12,907)	(11,107)	(24,014)	125,708
Cash and Cash Equivalents, Beginning of Year	486,748	11,107	497,855	372,147
Cash and Cash Equivalents, End of Year	$ 473,841	$ -	$ 473,841	$ 497,855
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities				
Operating income (loss)	$ (18,370)	$ (56,490)	$ (74,860)	$ 105,079
Change in assets				
Lease receivable	-	122,720	122,720	213,007
Other	-	36,701	36,701	12,788
Change in liabilities and deferred inflows of resources				
Security deposits	-	-	-	-
Deferred inflows - lease related	-	(114,038)	(114,038)	(208,840)
Net cash provided by (used in) operating activities	$ (18,370)	$ (11,107)	$ (29,477)	$ 122,034

City of Hurst, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2024 with Comparative
Total for September 30, 2023

	Fleet Service	Loss Reserve	Information Services	Totals 2024	Totals 2023
Assets					
Current assets					
Cash and cash equivalents	$ 2,347,381	$ 4,211,692	$ 1,414,754	$ 7,973,827	$ 3,382,583
Investments	3,452,788	1,501,831	2,061,671	7,016,290	11,885,436
Inventory of supplies, at cost	72,751	-	-	72,751	71,011
Other receivables	81,866	344,712	40,826	467,404	46,342
Prepaid expenses	-	165,000	-	165,000	165,000
Total current assets	5,954,786	6,223,235	3,517,251	15,695,272	15,550,372
Property and Equipment					
Construction in progress	-	-	-	-	243,073
Capital assets	7,469,796	-	8,509,438	15,979,234	15,462,924
Accumulated depreciation/amortization	(5,682,173)	-	(6,841,277)	(12,523,450)	(12,468,399)
Total property and equipment, net	1,787,623	-	1,668,161	3,455,784	3,237,598
Total assets	7,742,409	6,223,235	5,185,412	19,151,056	18,787,970
Deferred Outflows of Resources					
Deferred pension outflows	106,197	-	166,879	273,076	426,308
Deferred OPEB outflows	61,843	-	74,031	135,874	137,250
Total deferred outflows of resources	168,040	-	240,910	408,950	563,558
Liabilities					
Current liabilities					
Accounts payable and accrued items	189,331	602,822	83,156	875,309	597,618
Current portion of net OPEB liability	11,900	-	14,245	26,145	24,414
Current portion of long-term liabilities	11,145	-	103,224	114,369	135,963
Total current liabilities	212,376	602,822	200,625	1,015,823	757,995
Noncurrent Liabilities					
Net pension liability	303,922	-	477,592	781,514	926,971
Net OPEB liability, net of current portion	226,101	-	270,660	496,761	463,871
Long-term liabilities, net of current portion	13,573	-	134,404	147,977	258,168
Total liabilities	755,972	602,822	1,083,281	2,442,075	2,407,005
Deferred Inflows of Resources					
Deferred pension inflows	7,659	-	12,035	19,694	4,332
Deferred OPEB inflows	37,627	-	45,042	82,669	107,570
Total deferred inflows of resources	45,286	-	57,077	102,363	111,902
Net Position					
Net investment in capital assets	1,787,623	-	1,475,210	3,262,833	2,943,802
Unrestricted	5,321,568	5,620,413	2,810,754	13,752,735	13,888,819
Total net position	$ 7,109,191	$ 5,620,413	$ 4,285,964	$ 17,015,568	$ 16,832,621

City of Hurst, Texas
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2024 with Comparative
Total for September 30, 2023

	Fleet Service	Loss Reserve	Information Services	Totals 2024	Totals 2023
Operating Revenues					
Service fees	$ 1,865,754	$ 8,731,203	$ 2,434,638	$ 13,031,595	$ 11,554,440
Other	277,618	-	-	277,618	1,147,670
Total operating revenues	2,143,372	8,731,203	2,434,638	13,309,213	12,702,110
Operating Expenses					
Personnel services	437,834	9,718,619	650,917	10,807,370	9,524,841
Contractual services	2,098	-	366,727	368,825	144,806
Repairs and maintenance	142,734	-	758,661	901,395	674,573
Materials and supplies	529,029	-	432,540	961,569	1,337,772
Depreciation and amortization	453,268	-	664,727	1,117,995	970,367
Indirect cost/street rental fees	245,000	-	-	245,000	-
Miscellaneous	111,360	48,480	85,320	245,160	39,392
Total operating expenses	1,921,323	9,767,099	2,958,892	14,647,314	12,691,751
Operating Income (Loss)	222,049	(1,035,896)	(524,254)	(1,338,101)	10,359
Nonoperating Revenues (Expenses)					
Investment earnings	309,899	227,116	170,531	707,546	354,290
Gain (loss) on sale of property and equipment	(13,253)	-	-	(13,253)	-
Total nonoperating revenues (expenses)	296,646	227,116	170,531	694,293	354,290
Income (Loss) Before Transfers	518,695	(808,780)	(353,723)	(643,808)	364,649
Transfers in	7,190	808,779	10,786	826,755	1,180,576
Change in Net Position	525,885	(1)	(342,937)	182,947	1,545,225
Net Position, Beginning of Year	6,583,306	5,620,414	4,628,901	16,832,621	15,287,396
Net Position, End of Year	$ 7,109,191	$ 5,620,413	$ 4,285,964	$ 17,015,568	$ 16,832,621

City of Hurst, Texas
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2024 with Comparative
Total for Year Ended September 30, 2023

	Fleet Service	Loss Reserve	Information Services	Totals 2024	Totals 2023
Cash Flows from Operating Activities					
Receipts from customers and users	$ 228,581	$ 277,787	$ 26,330	$ 532,698	$ 1,134,025
Receipts from interfund services provided	1,858,090	8,165,739	2,408,308	12,432,137	11,554,440
Payments on behalf of suppliers	(420,056)	(9,463,612)	(655,991)	(10,539,659)	(2,077,864)
Payments on behalf of employees	(1,025,997)	(48,480)	(1,635,939)	(2,710,416)	(9,369,528)
Net cash provided by (used in) operating activities	640,618	(1,068,566)	142,708	(285,240)	1,241,073
Cash Flows from Noncapital Financing Activities					
Transfers from other funds	7,190	808,779	10,786	826,755	1,180,576
Net cash provided by noncapital financing activities	7,190	808,779	10,786	826,755	1,180,576
Cash Flows from Capital and Related Financing Activities					
Subscription liability payments	-	-	(100,845)	(100,845)	(155,347)
Purchases of property and equipment	(1,312,268)	-	(62,274)	(1,374,542)	(539,574)
Purchases of subscription assets	-	-	-	-	(701,055)
Proceeds from sale of property and equipment	25,108	-	-	25,108	-
Net cash used in capital and related financing activities	(1,287,160)	-	(163,119)	(1,450,279)	(1,395,976)
Cash Flows from Investing Activities					
Proceeds from sale/maturity of investments	3,609,785	2,740,519	2,891,819	9,242,123	7,817,459
Purchase of investments	(2,484,348)	(1,851,763)	(2,055,441)	(6,391,552)	(7,636,359)
Interest recceived on investments	309,899	181,574	139,389	630,862	344,968
Net cash provided by investing activities	1,435,336	1,070,330	975,767	3,481,433	526,068
Net Increase in Cash and Cash Equivalents	795,984	810,543	966,142	2,572,669	1,551,741
Cash and Cash Equivalents, Beginning of Year	1,551,397	3,401,149	448,612	3,382,583	1,830,842
Cash and Cash Equivalents, End of Year	$ 2,347,381	$ 4,211,692	$ 1,414,754	$ 7,973,827	$ 3,382,583
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	$ 222,049	$ (1,035,896)	$ (524,254)	$ (1,338,101)	$ 10,359
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	453,268	-	664,727	1,117,995	970,367
Change in assets and deferred outflows:					
Other receivables	(56,701)	(287,677)	-	(344,378)	(13,645)
Inventory of supplies	(1,740)	-	-	(1,740)	(6,454)
Deferred pension outflows	66,585	-	104,634	171,219	(335,698)
Deferred OPEB outflows	626	-	750	1,376	(5,135)
Change in liabilities and deferred inflows:					
Accounts payable and other liabilities	14,056	255,007	8,628	277,691	166,109
Compensated absences	(4,361)	-	(26,579)	(30,940)	-
Net pension liability	(56,567)	-	(88,890)	(145,457)	725,332
Net OPEB liability	15,758	-	18,863	34,621	(3,213)
Deferred pension inflows	(1,021)	-	(1,604)	(2,625)	(295,193)
Deferred OPEB inflows	(11,334)	-	(13,567)	(24,901)	28,244
Net Cash Provided by (Used in) Operating Activities	$ 640,618	$ (1,068,566)	$ 142,708	$ (285,240)	$ 1,241,073

Statistical Section (Unaudited)

CITY OF HURST
TEXAS

City of Hurst, Texas
Table Descriptions

This part of the City of Hurst's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Pages
Financial Trends	**112-123**
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	**124-130**
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	
Debt Capacity	**131-136**
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	**137-138**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	**139-144**
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Hurst, Texas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended			
	2015	**2016**	**2017**	**2018 (1)**
Governmental Activities				
Net investment in capital assets	$ 120,518,416	$ 116,996,558	$ 114,347,361	$ 113,020,392
Restricted	21,707,954	24,767,252	16,117,137	16,581,980
Unrestricted	23,104,601	16,858,946	23,931,997	9,991,473
Total governmental activities net position	$ 165,330,971	$ 158,622,756	$ 154,396,495	$ 139,593,845
Business-type Activities				
Net investment in capital assets	$ 33,786,264	$ 36,190,346	$ 38,973,677	$ 40,834,276
Restricted	11,358,914	12,911,394	-	-
Unrestricted	3,816,191	468,067	12,949,090	10,738,394
Total business-type activities net position	$ 48,961,369	$ 49,569,807	$ 51,922,767	$ 51,572,670
Primary Government				
Net investment in capital assets	$ 154,304,680	$ 153,186,904	$ 153,321,038	$ 153,854,668
Restricted	33,066,868	37,678,646	16,117,137	16,581,980
Unrestricted	26,920,792	17,327,013	36,881,087	20,729,867
Total primary government net position	$ 214,292,340	$ 208,192,563	$ 206,319,262	$ 191,166,515

Notes: Beginning amounts for 2018 were restated as per GASB 75.

Fiscal Year Ended					
2019	2020	2021	2022	2023	2024
$ 111,980,392	$ 109,339,694	$ 107,239,312	$ 107,071,255	$ 105,576,298	$ 110,245,082
15,961,153	19,240,287	21,240,054	24,870,497	28,074,737	30,291,151
7,530,751	7,676,690	12,937,321	25,260,442	26,523,871	17,756,363
$ 135,472,296	$ 136,256,671	$ 141,416,687	$ 157,202,194	$ 160,174,906	$ 158,292,596
$ 41,683,200	$ 42,263,651	$ 41,558,248	$ 44,943,007	$ 46,021,443	$ 51,453,028
-	-	-	-	-	-
10,025,806	10,367,091	13,555,313	15,286,641	17,366,080	23,536,852
$ 51,709,006	$ 52,630,742	$ 55,113,561	$ 60,229,648	$ 63,387,523	$ 74,989,880
$ 153,663,592	$ 151,603,345	$ 148,797,560	$ 152,014,262	$ 151,597,741	$ 161,698,110
15,961,153	19,240,287	21,240,054	24,870,497	28,074,737	30,291,151
17,556,557	18,043,781	26,492,634	40,547,083	43,889,951	41,293,215
$ 187,181,302	$ 188,887,413	$ 196,530,248	$ 217,431,842	$ 223,562,429	$ 233,282,476

City of Hurst, Texas
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities				
General government	$ 5,256,773	$ 8,168,344	$ 5,503,950	$ 8,330,340
Public safety	23,039,603	24,614,274	26,946,144	25,445,464
Culture and recreation	11,142,994	12,112,717	12,554,825	12,836,977
Public works	4,756,586	5,174,276	4,928,786	3,869,464
Interest expense	2,146,970	2,328,484	1,888,355	2,042,840
Total governmental activities expenses	46,342,926	52,398,095	51,822,060	52,525,085
Business-type activities				
Water and sewer	19,752,412	20,384,872	20,090,660	20,542,607
Stormwater management services	689,554	879,123	1,015,099	936,108
Conference and meeting center	2,004,236	2,362,568	2,654,063	2,777,085
Hurst Public Facility Corporation	-	-	-	-
Val Oaks	-	-	-	-
Total business-type activities expenses	22,446,202	23,626,563	23,759,822	24,255,800
Total primary government expenses	$ 68,789,128	$ 76,024,658	$ 75,581,882	$ 76,780,885
Program Revenues				
Governmental activities				
Charges for services				
General government	$ 22,670	$ 18,470	$ 19,165	$ 135,242
Public safety	3,278,888	3,551,541	3,229,547	2,894,515
Culture and recreation	1,004,909	1,156,952	1,244,593	1,256,034
Public works	630,248	682,420	780,953	802,568
Operating grants and contributions	738,969	862,969	1,613,979	1,960,737
Capital grants and contributions	28,803	218,830	265,990	111,051
Total governmental activities program revenues	5,704,487	6,491,182	7,154,227	7,160,147
Business-type activities				
Charges for services				
Water and sewer services	19,609,118	19,892,629	21,183,069	22,394,948
Stormwater management services	1,094,476	1,098,287	1,375,194	1,104,982
Hurst Public Facility Corporation	-	-	-	-
Conference and meeting center	1,927,152	2,553,445	2,811,704	3,147,745
Operating grants and contributions	-	44,622	10,931	5,947
Capital grants and contributions	680,309	693,753	811,985	179,560
Total business-type activities program revenues	23,311,055	24,282,736	26,192,883	26,833,182
Total primary government program revenues	$ 29,015,542	$ 30,773,918	$ 33,347,110	$ 33,993,329

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ 8,148,665	$ 6,919,302	$ 4,958,838	$ 4,109,697	$ 7,937,133	$ 9,616,217
27,277,634	25,752,945	24,389,940	25,461,659	33,012,865	30,952,740
12,386,690	10,637,396	11,383,530	11,639,982	11,800,248	13,381,888
5,085,774	4,929,958	4,116,324	4,958,387	4,736,648	4,967,470
1,711,724	1,135,394	1,724,654	1,476,018	1,432,656	1,384,263
54,610,487	49,374,995	46,573,286	47,645,743	58,919,550	60,302,578
21,842,377	21,415,506	19,737,759	21,143,906	22,252,474	23,262,027
950,588	911,776	932,360	1,011,047	1,223,552	1,221,302
3,608,240	2,151,646	1,877,996	2,465,978	3,646,018	3,668,642
-	-	6,189	6,549	8,429	50,650
-	-	-	-	56,571	175,582
26,401,205	24,478,928	22,554,304	24,627,480	27,187,044	28,378,203
$ 81,011,692	$ 73,853,923	$ 69,127,590	$ 72,273,223	$ 86,106,594	$ 88,680,781
$ 159,535	$ 131,383	$ 422,983	$ 630,363	$ 420,541	$ 1,097,872
2,597,631	2,024,041	1,449,576	2,504,688	1,858,676	1,967,644
1,290,885	492,827	843,374	1,124,631	1,092,777	1,023,667
1,058,007	790,736	831,192	818,958	958,482	897,865
1,504,425	3,270,198	1,889,171	1,516,275	2,361,002	2,013,386
116,567	-	-	-	226,376	1,619,898
6,727,050	6,709,185	5,436,296	6,594,915	6,917,854	8,620,332
21,229,151	21,779,611	21,575,460	24,479,806	24,048,164	23,672,638
1,137,792	1,102,664	1,106,028	1,106,059	1,122,971	1,105,097
-	-	200,991	158,693	170,079	32,280
3,269,784	1,804,763	1,783,144	2,394,881	3,596,871	3,660,921
-	-	-	-	-	-
629,288	466,764	404,716	369,783	400,058	1,903,018
26,266,015	25,153,802	25,070,339	28,509,222	29,338,143	30,373,954
$ 32,993,065	$ 31,862,987	$ 30,506,635	$ 35,104,137	$ 36,255,997	$ 38,994,286

City of Hurst, Texas
Changes in Net Position
Last Ten Fiscal Years (Continued)
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Net (Expense)/Revenue				
Governmental activities	$ (40,638,439)	$ (45,906,913)	$ (44,667,833)	$ (45,364,938)
Business-type activities	864,853	656,173	2,433,061	2,577,382
Total primary government net expense	$ (39,773,586)	$ (45,250,740)	$ (42,234,772)	$ (42,787,556)
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes, penalty and interest	$ 14,087,316	$ 13,982,919	$ 14,814,146	$ 15,383,521
Sales taxes	20,716,458	20,685,644	20,043,791	20,935,157
Franchise taxes	3,038,771	2,967,123	2,961,774	2,975,917
Occupancy taxes	646,284	716,281	705,786	768,618
Investment earnings (losses)	275,954	385,477	430,170	799,902
Grants and contributions	-	-	-	-
Miscellaneous	1,172,033	280,870	1,251,454	1,245,930
Transfers	76,667	180,384	234,451	225,000
Total governmental activities	$ 40,013,483	$ 39,198,698	$ 40,441,572	$ 42,334,045
Business-type activities				
Investment earnings (losses)	$ 104,120	$ 132,649	$ 154,350	$ 249,592
Gain on sale of capital assets	-	-	-	-
Miscellaneous	-	-	-	-
Transfers	(76,667)	(180,384)	(234,451)	(225,000)
Total business-type activities	27,453	(47,735)	(80,101)	24,592
Total primary government	$ 40,040,936	$ 39,150,963	$ 40,361,471	$ 42,358,637
Change in Net Position				
Governmental activities	$ (624,956)	$ (6,708,215)	$ (4,226,261)	$ (3,030,893)
Business-type activities	892,306	608,438	2,352,960	2,601,974
Total primary government	$ 267,350	$ (6,099,777)	$ (1,873,301)	$ (428,919)

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ (47,883,437)	$ (42,665,810)	$ (41,136,990)	$ (41,050,828)	$ (52,001,696)	$ (51,682,246)
(135,190)	674,874	2,516,035	3,881,742	2,151,099	1,995,751
$ (48,018,627)	$ (41,990,936)	$ (38,620,955)	$ (37,169,086)	$ (49,850,597)	$ (49,686,495)
$ 16,292,473	$ 18,389,781	$ 19,906,761	$ 20,699,923	$ 22,070,415	$ 23,090,993
20,661,292	19,777,236	21,994,035	24,292,054	24,491,658	24,289,712
2,935,945	2,669,328	2,563,184	2,663,951	2,694,566	2,653,614
905,677	660,845	613,169	958,104	1,020,995	858,190
1,539,049	1,160,273	136,883	(812,485)	3,149,934	5,069,797
-	-	-	9,606,179	-	-
1,189,108	692,722	983,535	774,268	1,693,590	1,121,117
238,344	100,000	99,439	(1,345,659)	(146,750)	(7,283,487)
$ 43,761,888	$ 43,450,185	$ 46,297,006	$ 56,836,335	$ 54,974,408	$ 49,799,936
$ 509,870	$ 346,862	$ 66,223	$ (111,314)	$ 860,026	$ 1,404,232
-	-	-	-	-	412,562
-	-	-	-	-	506,325
(238,344)	(100,000)	(99,439)	1,345,659	146,750	7,283,487
271,526	246,862	(33,216)	1,234,345	1,006,776	9,606,606
$ 44,033,414	$ 43,697,047	$ 46,263,790	$ 58,070,680	$ 55,981,184	$ 59,406,542
$ (4,121,549)	$ 784,375	$ 5,160,016	$ 15,785,507	$ 2,972,712	$ (1,882,310)
136,336	921,736	2,482,819	5,116,087	3,157,875	11,602,357
$ (3,985,213)	$ 1,706,111	$ 7,642,835	$ 20,901,594	$ 6,130,587	$ 9,720,047

City of Hurst, Texas
Fund Balances
Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
General Fund				
Nonspendable	$ 1,883	$ 1,883	$ 1,883	$ 2,401
Restricted	2,344,861	3,104,302	4,086,043	5,446,104
Committed	305,069	365,042	-	-
Assigned	586,595	581,219	568,555	18,254
Unassigned	9,049,255	9,172,096	9,162,496	8,989,839
Total general fund	$ 12,287,663	$ 13,224,542	$ 13,818,977	$ 14,456,598
All Other Governmental Funds				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	19,363,093	21,662,950	14,851,969	14,292,760
Assigned	18,697,454	17,066,513	18,295,467	18,887,440
Unassigned	-	-	-	-
Total all other governmental funds	$ 38,060,547	$ 38,729,463	$ 33,147,436	$ 33,180,200

Table A-3

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ 1,883	$ 1,881	$ 1,883	$ 1,883	$ 27,883	$ 22,683
5,083,249	5,844,743	6,139,054	6,852,281	7,687,793	10,425,315
-	-	-	-	-	-
23,575	29,620	29,630	26,558	22,907	22,907
9,702,437	9,584,839	9,544,066	21,031,771	21,654,580	10,827,343
$ 14,811,144	$ 15,461,083	$ 15,714,633	$ 27,912,493	$ 29,393,163	$ 21,298,248
$ -	$ -	$ -	$ -	$ -	$ -
23,756,410	21,575,718	18,318,313	22,640,273	23,097,819	22,899,417
17,682,803	19,946,306	22,251,573	17,814,621	21,520,579	25,299,084
-	-	-	(4,729)	-	(113,147)
$ 41,439,213	$ 41,522,024	$ 40,569,886	$ 40,450,165	$ 44,618,398	$ 48,085,354

City of Hurst, Texas
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Taxes	$ 38,494,929	$ 38,414,972	$ 38,900,450	$ 40,069,713
Licenses/permits	707,089	782,782	878,517	825,525
Support from governmental entities	767,772	874,576	1,613,979	1,960,737
Charges for services	1,699,806	2,035,396	2,065,177	2,126,300
Fines and fees	2,405,478	2,448,040	2,436,813	2,516,568
Investment earnings (losses)	218,049	313,953	412,492	774,577
Miscellaneous	1,068,886	543,025	1,195,603	1,056,666
Total revenues	45,362,009	45,412,744	47,503,031	49,330,086
Expenditures				
General government	2,976,887	3,268,525	3,664,549	3,472,880
Public safety	20,798,447	21,506,049	23,618,438	23,423,951
Culture and recreation	8,436,777	9,344,037	9,950,204	10,078,424
Public works	1,754,088	2,095,586	2,109,784	2,036,102
Capital outlay	15,866,943	6,787,480	8,313,541	4,132,380
Debt service				
Principal	3,459,807	3,134,902	3,466,724	3,428,872
Interest and fiscal agent fees	2,206,311	2,287,885	2,119,020	1,961,100
Bond issuance costs	-	-	-	-
Total expenditures	55,499,260	48,424,464	53,242,260	48,533,709
Excess of revenues over (under) expenditures	(10,137,251)	(3,011,720)	(5,739,229)	796,377
Other Financing Sources (Uses)				
Capital lease	490,105	-	-	-
Proceeds from borrowing	2,625,000	4,905,000	1,180,000	-
Proceeds from refunding	3,235,000	11,240,000	1,500,000	-
Premium on bond issuance	574,285	1,931,800	-	-
Payments to escrow agent	(3,505,346)	(12,517,062)	(1,478,363)	-
Leases issued	-	-	-	-
Subscriptions issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	3,475,606	3,414,597	3,395,882	3,790,919
Transfers out	(4,578,606)	(4,356,820)	(3,845,882)	(3,916,911)
Total other financing sources (uses)	2,316,044	4,617,515	751,637	(125,992)
Net Change in Fund Balances	$ (7,821,207)	$ 1,605,795	$ (4,987,592)	$ 670,385
Debt Service as a Percentage of Noncapital Expenditures	14.30%	13.02%	12.43%	12.14%

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 40,797,443	$ 41,476,811	$ 44,978,994	$ 48,720,756	$ 50,292,941	$ 50,793,135
1,091,085	811,270	861,307	861,582	1,039,614	1,150,498
1,504,425	3,270,198	1,889,171	11,122,454	2,361,002	2,392,857
2,319,048	1,527,628	6,925,652	2,349,819	2,286,995	2,393,911
1,498,576	1,120,244	700,005	620,296	459,759	512,195
1,290,490	975,831	103,865	(638,873)	2,795,644	4,362,251
1,081,968	619,891	732,308	566,599	545,920	366,118
49,583,035	49,801,873	56,191,302	63,602,633	59,781,875	61,970,965
4,380,033	4,722,080	6,394,535	4,076,566	3,745,565	4,336,270
23,808,440	23,035,269	24,703,321	24,967,834	26,694,706	28,260,025
9,893,956	8,100,441	9,413,588	9,453,611	9,991,630	10,888,967
2,317,724	2,371,726	3,410,230	3,046,937	2,773,546	3,022,584
3,762,850	5,706,338	6,682,999	5,244,739	4,714,128	10,133,622
3,065,000	3,400,000	3,600,000	3,600,000	3,744,834	3,733,044
1,855,604	2,055,757	1,679,755	1,612,804	1,556,838	1,496,268
-	-	205,774	-	-	-
49,083,607	49,391,611	56,090,202	52,002,491	53,221,247	61,870,780
499,428	410,262	101,100	11,600,142	6,560,628	100,185
-	-	-	-	-	-
9,175,000	575,000	-	1,975,000	-	1,975,000
-	-	13,350,000	-	-	-
453,618	-	-	70,638	-	61,333
-	-	(13,404,894)	-	-	-
-	-	-	-	130,686	1,341,637
-	-	-	-	284,915	-
-	-	-	-	-	4,128
3,552,517	4,588,565	4,099,745	26,583,718	6,045,751	20,875,048
(5,067,004)	(4,841,077)	(4,844,539)	(28,151,359)	(7,373,077)	(28,985,290)
8,114,131	322,488	(799,688)	477,997	(911,725)	(4,728,144)
$ 8,613,559	$ 732,750	$ (698,588)	$ 12,078,139	$ 5,648,903	$ (4,627,959)
10.86%	12.49%	12.02%	11.15%	10.93%	10.11%

City of Hurst, Texas
Tax Revenues by Source
Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting) **Table A-5**

Fiscal Year	Property	Sales/ Occupancy	Mixed Beverage	Franchise	Total
2015	14,093,416	21,219,368	143,374	3,038,771	38,494,929
2016	14,045,924	21,262,957	138,968	2,967,123	38,414,972
2017	15,189,099	20,613,996	135,581	2,961,774	38,900,450
2018	16,158,639	20,598,410	148,603	2,975,917	39,881,569
2019	17,200,207	20,505,778	155,513	2,935,945	40,797,443
2020	19,051,715	19,651,638	125,599	2,669,327	41,498,279
2021	20,408,258	21,862,706	131,331	2,563,183	44,965,478
2022	20,806,647	24,135,206	156,847	2,663,951	47,762,651
2023	22,057,559	24,343,605	148,052	2,673,895	49,223,111
2024	22,973,669	25,005,634	142,269	2,653,613	50,775,185

City of Hurst, Texas
Appraised Value of Property
Last Ten Fiscal Years
(in thousands of dollars) **Table B-1**

Fiscal Year Ended September 30,	Residential Property	Commercial Property	Industrial Property	Appraised Value	Tax-Exempt Property	Total Direct Tax Rate
2015	1,685,063	1,034,091	40,550	2,759,704	251,249	0.606
2016	1,587,424	975,963	34,254	2,597,641	238,300	0.611
2017	1,745,042	1,144,598	37,283	2,926,923	298,859	0.588
2018	1,867,873	1,249,125	44,304	3,161,302	368,576	0.581
2019	2,116,580	1,360,984	43,893	3,521,457	324,355	0.580
2020	2,333,240	1,461,170	51,466	3,845,876	298,320	0.597
2021	2,324,192	1,447,024	51,848	3,823,064	335,010	0.625
2022	2,526,894	1,460,400	25,992	4,013,286	318,917	0.625
2023	2,837,774	1,436,654	41,150	4,315,578	386,327	0.614
2024	3,144,358	1,675,587	58,704	4,878,649	458,875	0.581

Source: Tarrant County Appraisal District.

Note: Assessed value is 100% of actual value.

City of Hurst, Texas
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $100 of assessed value) **Table B-2**

	City Direct Rates			Overlapping Rates (1)			
Fiscal Year	Basic Rate	General Debt Service	Total Direct Rate	HEB School District	Tarrant County	Hospital	Tarrant County College
2015	0.460829	0.145171	0.606	1.37500	0.26400	0.22790	0.14950
2016	0.474277	0.136284	0.611	1.35000	0.26400	0.22790	0.14950
2017	0.461648	0.126252	0.588	1.31600	0.25400	0.22790	0.14473
2018	0.465042	0.115898	0.581	1.26300	0.24400	0.22443	0.14006
2019	0.471551	0.108449	0.580	1.27300	0.23400	0.22443	0.13607
2020	0.478236	0.119063	0.597	1.22000	0.23400	0.22443	0.13017
2021	0.504186	0.120973	0.625	1.19800	0.23400	0.22443	0.13017
2022	0.516794	0.108365	0.625	1.16080	0.22900	0.22443	0.13017
2023	0.513753	0.100290	0.614	1.10980	0.22400	0.22443	0.13017
2024	0.495572	0.085578	0.581	0.92110	0.19450	0.19450	0.11217

Source: Tarrant County Appraisal District.

Notes: The City's basic property tax rate must be set according to the State of Texas' Truth-in-Taxation and other applicable laws. Truth-in-Taxation requires a No-New-Revenue and Voter-Approval tax rate calculation to be performed and under certain conditions the rates must be published locally. If the City Council proposes a tax rate above the Voter-Approval rate (the No-New-Revenue M&O rate times 1.035 plus the Debt Service rate plus the three-year rolling sum of the difference between the City's adopted rate and the Voter-Approval rate), then the City must hold an election to approve the proposed rate. Rates for debt service are not subject to election and are set based on each year's requirements. The State of Texas does limit the City's overall tax rate to $2.50 per $100 valuation while the City's Charter limits the overall tax rate to $1.50 per $100 valuation.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Hurst. Not all overlapping rates apply to all Hurst property owners. In fact, some City of Hurst property owners pay taxes to the Birdville or Grapevine-Colleyville Independent School Districts. HEB ISD is shown above as the vast majority of Hurst residents reside within HEB ISD's boundaries.

City of Hurst, Texas
Principal Property Taxpayers
Current Year and Nine Years Ago

Table B-3

Taxpayer	2015 Taxable Assessed Value	2015 Rank	2015 Percentage of Total City Taxable Assessed Value (1)	2024 Taxable Assessed Value	2024 Rank	2024 Percentage of Total City Taxable Assessed Value (2)
Melvin Simon & Associates Inc.	$ 118,881,491	1	5.00%	$ 117,694,278	1	2.77%
Westdale Hills 2013 LP	28,222,351	3	1.19%	65,044,872	2	1.53%
Shops at Northeast Mall LLC			-	53,800,000	3	1.27%
Cookscreek 255 LLC			-	44,300,000	4	1.04%
WWC LII LP			-	37,000,000	5	0.87%
Tribecca Acq LLC/Bristols Apartments Acq Company LLC			-	31,900,000	6	0.75%
GR Asset 200 N Booth Calloway LLC			-	27,000,000	7	0.64%
Kelly-Moore Paint Co. Inc.	19,251,905	5	0.81%	23,340,054	8	0.55%
Mayfair Station LLC	15,100,000	10	0.64%	23,189,031	9	0.55%
Arts Apartments At Park Place			-	22,250,000	10	0.52%
Simon Property Group Tx LP	58,500,000	2	2.46%	-		0.00%
Wal-Mart Real Estate Bus Trust/Wal-Mart Stores TEX	22,583,376	4	0.95%	-		0.00%
Hurst City Apt Partners Ltd	18,600,000	6	0.78%	-		0.00%
Oncor Electric Delivery CO LLC	17,576,569	7	0.74%			0.00%
Macy's Texas I LP	16,393,915	8	0.69%			0.00%
Pipeline 13 A LP Etal	15,500,000	9	0.65%	-		0.00%
Total	$ 330,609,607		13.91%	$ 445,518,235		10.49%

Source: Tarrant Appraisal District

(1) Total City Taxable Assessed Value in 2014 was $2,377,092,812.

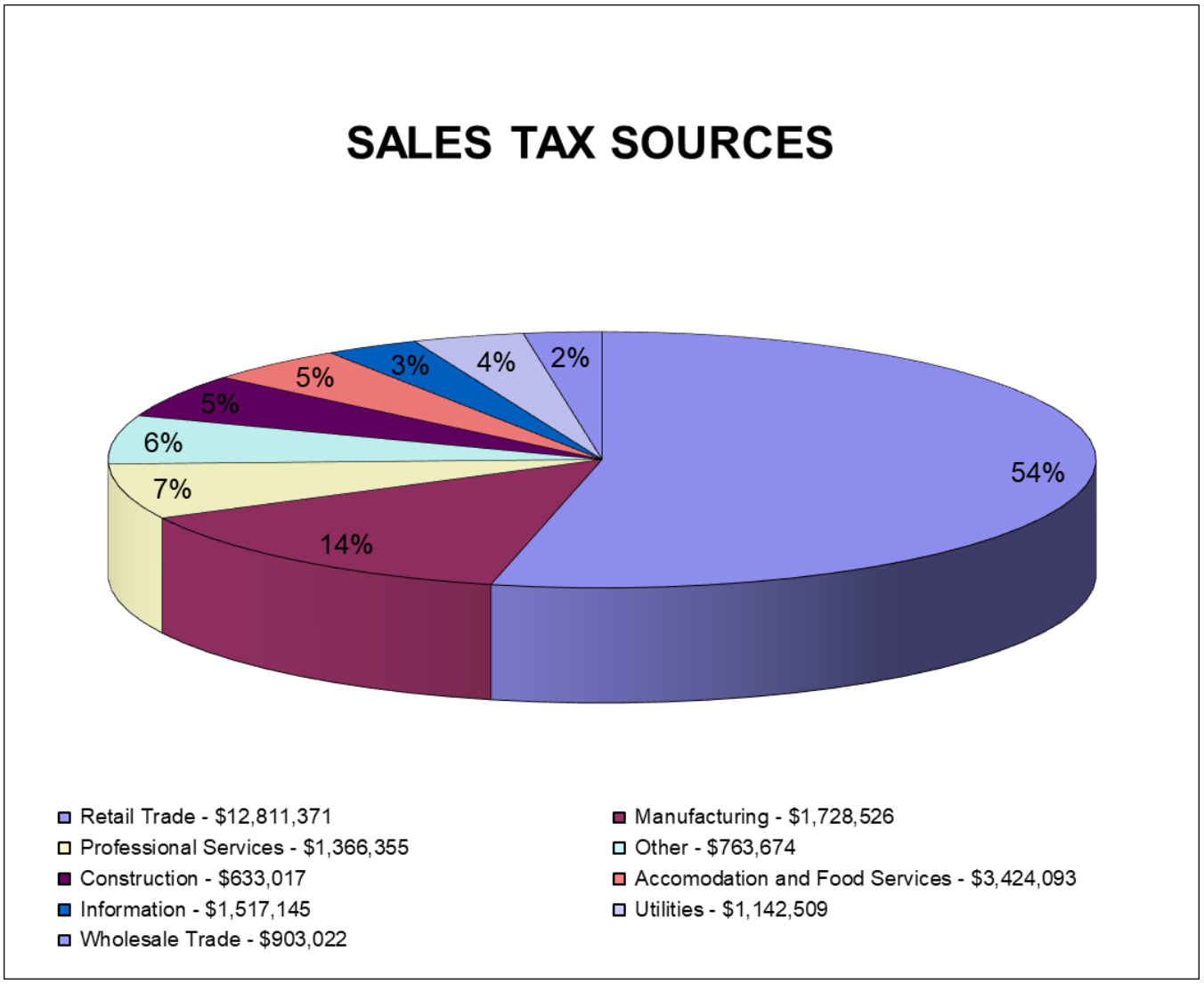
(2) Total City Taxable Assessed Value in 2024 was $4,249,762,886.

City of Hurst, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years **Table B-4**

Fiscal Year Ended Sept 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Collections/ (Refunds)	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	14,059,530	13,953,040	99.2%	61,963	14,015,003	99.7%
2016	14,079,556	13,951,219	99.1%	11,772	13,962,991	99.2%
2017	15,052,747	14,831,734	98.5%	199,103	15,030,837	99.9%
2018	16,103,519	15,993,536	99.3%	133,422	16,126,958	100.1%
2019	17,258,532	17,049,741	98.8%	51,611	17,101,352	99.1%
2020	19,058,554	18,921,015	99.3%	17,966	18,938,981	99.4%
2021	20,514,104	20,296,780	98.9%	6,604	20,303,384	99.0%
2022	20,768,009	20,666,468	99.5%	1,158	20,667,626	99.5%
2023	22,118,653	21,959,820	99.3%	(43,786)	21,916,034	99.1%
2024	23,047,172	22,884,970	99.3%	-	22,884,970	99.3%

Source: Tarrant County tax assessor and collector.

City of Hurst, Texas
Sales Tax Sources by NAICS Code
September 30, 2024



Note: Information provided based on NAICS categories as reported by the State Comptroller. State law prohibits reporting of sales tax information associated with individual taxpayers.

Note: Other category includes Agriculture, Mining, Transportation, Educational, Health Care, Arts, and Public Administration/Other services.

City of Hurst, Texas
Sales Tax Rate and Sales Tax Revenue
Last Ten Fiscal Years **Table B-6**

Fiscal Year Ended September 30,	Sales Tax Revenue General Fund	Sales Tax Sharing General Fund	Net Sales Tax Revenue General Fund	Net Sales Tax Revenue ACHCST Fund	Sales Tax Revenue CSHCST Fund	Sales Tax Sharing CSHCST Fund	Net Sales Tax Revenue CSHCST Fund
2015	10,756,525	630,372	10,126,153	5,358,521	5,387,596	315,186	5,072,410
2016	10,823,317	759,423	10,063,894	5,438,519	5,423,974	379,711	5,044,262
2017	10,521,878	768,090	9,753,788	5,225,540	5,261,090	332,210	4,928,880
2018	10,611,912	859,187	9,752,725	5,290,203	5,306,115	331,107	4,975,008
2019	10,552,862	882,832	9,670,030	5,250,689	5,276,599	335,916	4,940,682
2020	10,128,793	726,473	9,402,320	4,921,887	5,064,575	248,236	4,816,339
2021	11,163,917	729,012	10,434,905	5,647,809	5,582,137	268,886	5,313,251
2022	12,303,493	178,388	12,125,105	6,097,685	6,151,956	-	6,151,956
2023	12,423,433	223,859	12,199,574	6,172,240	6,210,611	-	6,210,611
2024	12,204,309	219,463	11,984,847	6,058,772	6,103,825	-	6,103,825

1.00%	Local Sales Tax, Effective July 1, 1993
0.50%	Community Services Half-Cent Sales Tax, Effective July 1, 1993
0.50%	Anti-Crime Half-Cent Sales Tax, Effective January 1, 1996
2.00%	Total Local Sales Tax Rate

Note: ACHCST refers to the Anti-Crime Half-Cent Sales Tax Fund. CSHCST refers to the Community Services Half-Cent Sales Tax Fund.

Note on Sales Tax Sharing: In August 1996, the City entered into agreements with Southeastern Simon, Inc. under Chapter 380, Texas Local Government Code, to promote new and expanded economic development. Per these agreements, the City will share a portion of the sales tax generated by such new and expanded business with Southeastern Simon, Inc. for a stipulated period of time. Sales tax sharing for the North East Mall expansion project began in fiscal year 2003 and covers a maximum of 20 years.

City of Hurst, Texas
Principal Water Customers
September 30, 2024

Table B-7

	Consumption (1,000 Gallons)	Water Amount	Sewer Amount	Total Bill
City of Hurst	66,537	$ 530,113	$ 88,602	$ 618,715
Westdale Asset Mgr.	55,506	540,422	271,565	811,987
Brookwind Ltd.	40,459	343,880	231,327	575,207
GR Asset N Booth Calloway LLC	25,609	226,878	159,979	386,857
Wellesley Park Apts	23,626	207,597	141,669	349,266
Tarrant County College	18,251	142,830	31,783	174,613
Simon Properties	16,515	133,445	61,503	194,948
Tribecca Pointe Apartments	16,144	146,833	109,084	255,917
Barrington Crossing Apartments	14,098	117,300	89,997	207,297
Cookscreek 255, LLC DBA The Boulders	13,361	156,017	109,003	265,020
Total	290,106	$ 2,545,315	$ 1,294,512	$ 3,839,827

City of Hurst, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(principal only; dollars in thousands, except per capita) **Table C-1**

	Governmental Activities						Business-Type Activities				
Fiscal Year	General Obligation Bonds	Lease Obligation	Certificates of Obligation and Notes	Sales Tax Revenue Bonds	Lease Liability	Subscription Liability	Certificates of Obligation	Revenue and General Obligation Refunding	Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
2015	27,945	1,325	24,425	680	-	-	6,030	7,440	67,845	6.23%	1,770
2016	37,735	896	16,860	445	-	-	4,515	7,455	67,906	6.19%	1,769
2017	37,415	454	15,660	205	-	-	1,925	8,860	64,519	5.63%	1,680
2018	35,785	-	14,415	105	-	-	2,965	7,780	61,050	5.28%	1,589
2019	40,890	-	15,525	-	-	-	2,670	6,760	65,845	5.66%	1,710
2020	42,095	-	15,155	-	-	-	2,360	6,248	65,858	5.36%	1,693
2021	39,135	-	14,095	-	-	-	2,040	5,310	60,580	4.93%	1,556
2022	36,343	-	15,105	-	-	-	1,925	4,332	57,705	4.42%	1,427
2023	33,514	-	14,045	-	131	823	1,730	3,541	52,830	3.70%	1,306
2024	30,887	-	14,930	-	1,442	590	3,670	2,785	52,272	3.51%	1,292

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(2) See Demographic and Economic Statistics Table for personal income and population data.

Percentage of Personal Income is calculated using Total Primary Government divided by personal income.

Per Capita is calculated using Total Primary Government divided by population.

City of Hurst, Texas
Ratios of Net General Bonded Debt to Assessed Value and
Net Value Bonded Debt Per Capita
Last Ten Fiscal Years
(principal only; dollars in thousands, except per capita) **Table C-2**

	General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds	Certificates of Obligation and Notes	Total	Less Debt Service Fund	Net Bonded Debt	Percentage of Appraised Value (1) of Property	Per Capita (2)
2015	35,385	30,455	65,840	1,084	64,756	2.35%	1,689
2016	45,190	21,375	66,565	997	65,568	2.52%	1,708
2017	46,275	17,585	63,860	1,048	62,812	2.15%	1,635
2018	43,565	17,380	60,945	1,373	59,572	1.88%	1,551
2019	47,650	18,195	65,845	1,171	64,674	1.84%	1,679
2020	48,343	17,515	65,858	1,135	64,723	1.68%	1,663
2021	44,445	16,135	60,580	1,134	59,446	1.55%	1,527
2022	40,676	17,030	57,706	1,134	56,571	1.41%	1,399
2023	37,055	15,775	52,830	1,156	51,674	1.20%	1,277
2024	33,672	18,600	52,272	1,796	50,721	1.04%	1,254

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. This schedule includes General Bonded Debt Outstanding for Governmental Activities and Business-Type Activities, net of original issuance discounts and premiums.

(1) See Table B-1 for property value data.

(2) Population data can be found in Table D-1.

City of Hurst, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2024
(dollars in thousands) **Table C-3**

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Direct			
City of Hurst	$ 47,848	100.00%	$ 47,848
Debt Repaid with Property Taxes			
Hurst-Euless-Bedford Independent School District	837,940	13.18%	110,440
Birdville Independent School District	621,060	8.89%	55,212
Grapevine/Colleyville Independent School District	272,666	0.63%	1,718
Tarrant County	345,130	1.51%	5,211
Tarrant County College District	569,915	1.51%	8,606
Tarrant County Hospital District	440,020	1.51%	6,644
Keller Independent School District	736,235	0.23%	1,693
Subtotal, overlapping debt			189,525
Total direct and overlapping debt			$ 237,374 (2)

(1) Source: Texas Municipal Reports

(2) Gross Debt Outstanding

City of Hurst, Texas
Legal Debt Margin Information **Table C-4**

The City of Hurst does not have a legal debt limit prescribed by state law. However, Article XI, Section 5 of the Texas Constitution applicable to cities of more than 5,000 population limits the ad valorem tax rate to $2.50 per $100 assessed valuation, for cities operating under a Home Rule Charter. The City's Charter provides that general property taxes are limited to $1.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation bonds.

The City's tax margin for the year ended September 30, 2024 was:

Maximum rate per $100 valuation under Article XI	$	2.500000
City of Hurst's 2023-24 rate		0.581150
Margin	$	1.918850

City of Hurst, Texas
Pledged Revenue Coverage
Last Ten Fiscal Years

	Water Revenue Bonds					
		Less:	Net	Debt Service		
Fiscal Year	Gross Revenue	Operating Expenses	Available Revenue	Principal	Interest	Coverage
2015	19,686,799	19,483,803	202,996	-	-	0.00%
2016	20,145,243	20,259,538	(114,295)	-	-	0.00%
2017	21,349,781	20,027,047	1,322,734	-	-	0.00%
2018	22,628,247	20,466,468	2,161,779	-	-	0.00%
2019	21,229,151	21,286,679	(57,528)	-	-	0.00%
2020	21,779,612	20,373,220	1,406,392	-	-	0.00%
2021	21,575,460	17,472,191	4,103,269	-	-	0.00%
2022	24,479,806	19,182,933	5,296,873	-	-	0.00%
2023	24,048,164	20,169,110	3,879,054	-	-	0.00%
2024	25,409,627	21,112,574	4,297,053	-	-	0.00%

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

(1) Sales tax revenue bonds are backed by the sales tax revenue produced by the Half-Cent Community Services Development Corporation (HCCSDC).

(2) Excludes one-time, pay-as-you-go capital project costs.

Sales Tax Revenue Bonds (1)					
HCCSDC Sales Tax Revenue	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		
			Principal	Interest	Coverage
5,072,410	2,525,601	2,546,809	340,000	24,480	6.99%
5,044,263	3,028,990	2,015,273	235,000	16,320	8.02%
4,928,877	3,401,889	1,526,988	240,000	10,680	6.09%
4,975,008	3,347,995	1,627,013	100,000	4,840	15.52%
4,940,683	3,651,778	1,288,905	105,000	1,260	12.13%
4,816,339	2,548,896	2,267,443	-	-	-%
5,318,285	2,904,874	2,413,411	-	-	-%
6,151,956	3,497,697	2,654,259	-	-	-%
6,210,611	3,808,497	2,402,114	-	-	-%
6,103,825	4,048,101	2,055,724	-	-	-%

City of Hurst, Texas
Demographic and Economic Statistics
Last Ten Calendar Years **Table D-1**

Calendar Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment	Unemployment Rate
2015	38,340	1,089,354	28,413	37.9	13.2	6,707	3.8%
2016	38,380	1,097,054	28,584	38.3	13.2	6,897	4.1%
2017	38,410	1,145,770	29,830	38.4	13.2	6,930	3.5%
2018	38,410	1,156,256	30,103	38.3	13.3	7,036	3.4%
2019	38,510	1,162,771	30,194	37.2	13.4	6,729	4.9%
2020	38,910	1,227,649	31,551	37.0	13.6	7,022	6.5%
2021	38,930	1,228,280	31,551	37.0	13.6	6,132	4.6%
2022	40,430	1,306,374	32,312	37.8	13.7	6,118	3.4%
2023	40,452	1,427,025	35,277	38.1	13.8	5,986	4.1%
2024	40,454	1,489,354	36,816	38.3	13.7	6,061	3.9%

Sources: Population provided by the North Central Texas Council of Governments Regional Data Center. Median age, education level and personal income data provided by the US Census Bureau. Unemployment data provided by the Texas Workforce Commission. School enrollment data provided by the Texas Education Agency.

Note: Personal income is in thousands.

City of Hurst, Texas
Principal Employers
Current Year and Nine Years Ago

Table D-2

Employer	2015 Employees	2015 Rank	2015 Percentage of Total City Employment	2024 Employees	2024 Rank	2024 Percentage of Total City Employment
Bell Helicopter Textron, Inc.	4,000	1	19.80%	4,200	1	19.83%
North East Mall (Collective employment of stores other than major employers listed)	1,706	2	8.45%	1,706	2	8.05%
Shops at Northeast Mall (Outside)	800	3	3.96%	800	3	3.78%
HEB ISD	-			684	4	3.23%
Tarrant County College	575	4	2.85%	542	5	2.56%
Walmart Supercenter	479	5	2.37%	479	6	2.26%
City of Hurst	400	6	1.98%	415	7	1.96%
Dillard's Department Store	338	7	1.67%	338	8	1.60%
Macy's	231	8	1.14%	231	9	1.09%
J.C. Penney Company	225	9	1.11%	225	10	1.06%
Target Superstore	210	10	1.04%	-		
Total	8,964		44.37%	9,620		45.42%

Source: City Economic Development Division/City Records.

City of Hurst, Texas
Full-time Equivalents City Government Employees
By Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year 2015	2016	2017	2018
General Government				
Management services	7.0	8.0	8.0	8.0
Finance	9.0	9.0	9.0	9.0
Planning	6.0	6.0	6.0	6.0
Building	2.0	2.0	2.0	2.0
Other	42.0	36.5	34.2	35.1
Conference Center	24.2	24.2	21.7	21.7
Police				
Officers	75.0	75.0	75.0	75.0
Civilians	49.5	48.5	48.5	48.5
Fire				
Firefighters and officers	56.0	56.0	56.0	56.0
Civilians	1.6	1.6	1.5	1.5
Other Public Works				
Engineering	9.2	9.2	9.2	9.0
Other	19.8	23.9	23.9	23.9
Parks and Recreation	69.2	66.1	70.2	72.9
Library	26.7	26.7	28.3	28.3
Water	23.5	19.0	19.0	19.0
Wastewater	9.0	10.0	10.0	10.0
Total	429.7	421.7	422.5	425.9

Source: Human Resources and Budget Offices.

Fiscal Year					
2019	2020	2021	2022	2023	2024
7.0	7.0	7.0	7.5	8.5	7.0
9.0	9.0	9.0	10.0	10.0	9.0
6.0	6.0	6.0	5.0	5.0	5.0
2.0	2.0	2.0	2.0	2.0	2.0
34.0	34.0	34.0	30.8	31.5	33.3
21.7	21.7	21.7	21.5	22.5	25.0
75.0	75.0	75.0	74.0	74.0	75.0
56.5	56.5	56.5	56.5	54.5	48.0
56.0	56.0	56.0	56.0	56.0	56.0
1.5	1.5	1.0	1.0	1.0	1.0
9.0	9.0	9.0	8.0	8.5	8.5
24.6	24.6	23.6	23.5	24.0	23.0
49.5	49.5	58.5	65.0	73.0	69.0
23.5	23.5	23.5	23.5	21.5	24.0
19.0	19.0	19.0	19.0	19.0	19.0
10.0	10.0	10.0	10.0	10.0	10.0
404.3	404.3	411.8	413.3	421.0	414.8

City of Hurst, Texas
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year 2015	2016	2017	2018
General Government				
Building permits issued				
Commercial				
Number issued	111	123	136	132
Estimated cost	$ 34,515,346	$ 35,918,137	$ 24,515,873	$ 14,936,691
Residential				
Number issued	128	191	158	124
Estimated cost	$ 3,111,349	$ 4,831,284	$ 3,514,922	$ 5,161,297
Public Safety				
Police				
Physical arrests	2,897	2,592	2,607	2,351
Parking violations	197	152	168	148
Traffic violations	15,996	15,327	14,942	13,581
Fire/Emergency Medical Services				
Emergency responses	4,702	4,811	4,873	4,996
Patients transported	2,040	2,267	2,216	2,065
Fires extinguished	86	112	100	122
Average Response Time:				
Fire	5:01	5:06	4:35	5:07
EMS	5:03	4:28	4:59	5:09
Inspections	847	579	300	1,584
Public Works				
Street resurfacing (miles)	8	7	7	6
Potholes repaired (sq. yards)	11,537	12,200	6,612	4,540
Culture and Recreation				
Parks and recreation				
Athletic field reservations issued	92	87	60	51
Recreation center admissions	290,380	281,861	270,356	240,979
Library				
Volumes in collection	142,851	145,474	142,751	135,659
Total volumes borrowed	405,826	378,417	348,932	416,395
Water and Sewer				
Water customer billings at 9/30	12,226	12,257	12,327	12,193
Water main breaks	84	40	27	41
Average daily consumption (millions of gallons)	4.96	4.90	5.02	5.23

Sources: Various city departments.

(1) As of September 30, 2019, this amount represents square footage as the City can no longer request valuation on residential property. However, Planning and Community Development did identify a report in fiscal year 2024 that provides square footage, which will be used from this point forward.

	Fiscal Year					
	2019	2020	2021	2022	2023	2024
	145	95	81	225	206	134
$	48,862,248	$ 29,666,561	$ 5,935,919	$ 68,955,551	$ 66,427,532	$ 39,962,841
	98	102	127	413	608	1,612
N/A	(1)	N/A (1)	N/A (1)	N/A (1)	N/A (1)	3,142,568
	1,901	1,493	1,618	1,458	1,452	1,671
	93	96	76	194	38	14
	10,590	6,592	4,644	3,112	3,147	4,814
	4,867	4,911	5,385	5,312	5,330	5,498
	2,131	2,136	2,340	2,279	2,541	2,336
	85	88	107	139	121	95
	5:01	5:25	5:57	5:44	5:48	6:00
	5:36	5:07	5:01	5:05	5:50	6:02
	1,651	600	195	344	1,327	1,632
	7	6	5	5	9	12
	2,317	2,539	728	715	225	298
	55	17	11	468	458	206
	236,039	128,271	116,210	135,529	125,512	166,003
	124,157	120,707	122,145	123,381	123,543	109,802
	411,691	242,686	253,296	290,074	242,262	297,598
	12,385	12,385	12,393	12,318	12,520	12,143
	39	39	31	57	35	24
	4.88	4.96	5.03	3.22	4.90	4.74

City of Hurst, Texas
Capital Asset Statistics
By Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year Ended 2015	2016	2017	2018
Police				
Stations	1	1	1	1
Store fronts	3	2	2	2
Patrol units	27	26	28	28
Fire Stations	3	3	3	3
Other Public Works				
Streets (miles)	146	148	148	148
Traffic signals	55	56	56	56
Parks and Recreation				
Acreage	290	280	280	280
Playgrounds	16	16	16	16
Family aquatic centers	2	2	2	2
Water				
Water mains (miles)	201.11	204.00	205.00	205.00
Fire hydrants	1,233	1,226	1,235	1,240
Storage capacity (millions of gallons)	9.40	9.40	9.40	9.40
Wastewater				
Sanitary sewers (miles)	153.06	154.50	154.50	154.84
Storm sewers (miles)	88.95	86.00	86.00	86.00

Sources: Various city departments.

Fiscal Year Ended					
2019	2020	2021	2022	2023	2024
1	1	1	1	1	1
2	2	2	2	1	1
28	28	28	27	27	28
3	3	3	3	3	3
148	148	148	148	148	148
56	56	56	56	56	56
280	280	280	280	280	280
16	16	16	15	15	15
2	2	2	2	2	2
205.00	205.00	205.00	210.00	210.00	210.00
1,330	1,339	1,339	1,356	1,356	1,370
9.40	9.40	9.40	9.40	9.40	9.40
155.00	155.00	155.00	150.90	150.90	150.90
86.00	86.00	86.00	92.90	92.90	92.90

CITY OF HURST
TEXAS